

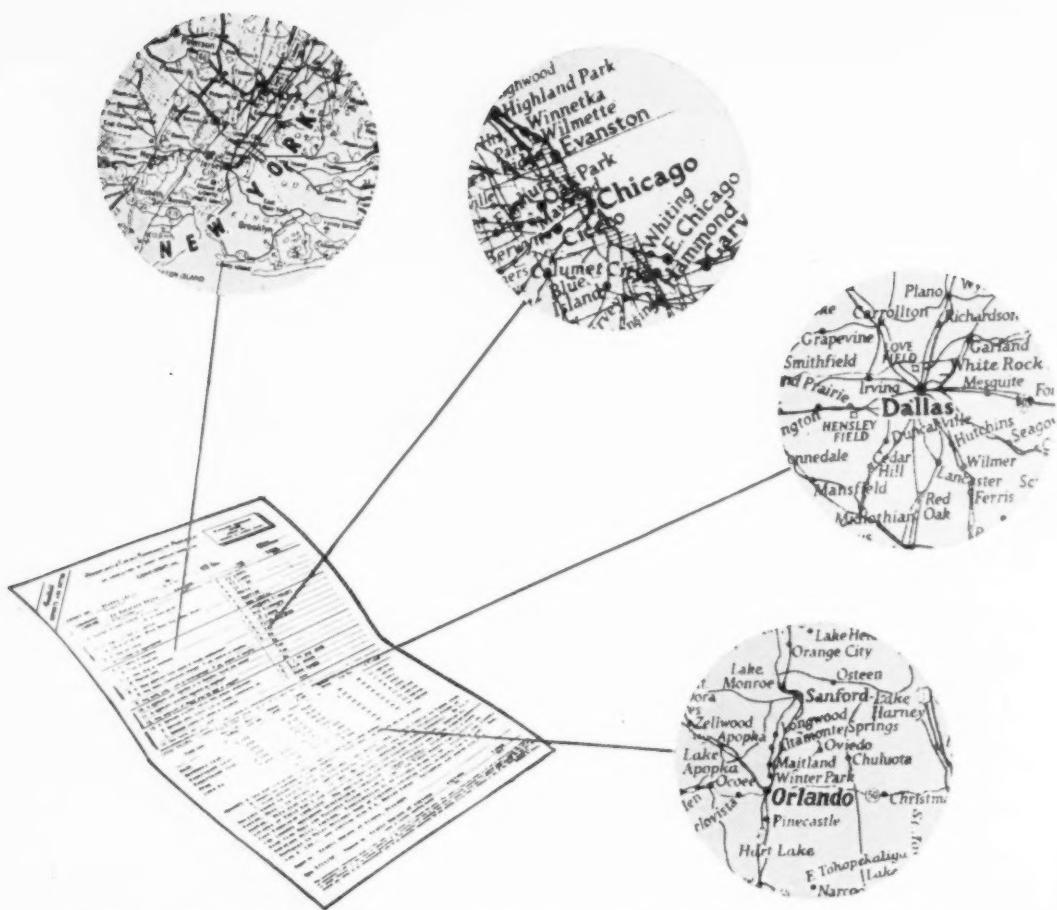


The State Capitol of California, Sacramento, the Camellia Capital

# The Credit World

Only Publication Serving the Entire Field of Retail Credit

JANUARY, 1958



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# The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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### CIRCULATION OF THIS ISSUE 50,000

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# "It Was Like This—"



EDWARD CAIN

Cain Glass Company, Sacramento, California  
Past President, Retailers Credit Association of Sacramento

"GOLD—GOLD!—THAT'S FOR YOUR DRINK!"

With those words, James W. Marshall took a pinch of gold dust from his leather pouch and proffered it for a drink in a little bar in Yerba Buena, now the City of San Francisco. It was a cold windy night and a handful of men, in that crudely built saloon paused in their merry-making to witness an act that was to change the entire course of California and bring about the uniting of our country from coast to coast. San Francisco was only sand dunes with a population of 247 and without communication of any kind. Yet those few words uttered that night in the unknown little city was to usher in the greatest migration in history to that time.

In the 1500's a Spanish explorer named Moraga discovered the Sacramento River. He named the river in honor of the Holy Sacrament, a vital part of his religious faith. He encouraged other Spaniards to further explore this vast wilderness in the name of Spain. They did, for the next 200 years and established mis-

sions, huge rancheros and sought a northwest route for their hunters and trappers. While they made lasting impressions and particularly Padre Junipero Serra, who brought civilization to the Indians with Old World traditions, it was to be a Swiss immigrant who was to bring about the greatest change.

In 1839 Captain John A. Sutter arrived from Switzerland and landed on the east bank of the Sacramento River on a spot that is now the City and County of Sacramento. He believed it was an ideal site to establish a community and proceeded to do so at once. He named his village New Helvetia. Not being contented with that, he surveyed the area, platted the area for a six-mile square city, laying out parks, driveways and established a Spanish form of government. Completing this the name of New Helvetia was changed to Sacramento.

To carry out his farming operations on the eleven leagues of land which the Spanish Governor Alvarado gave him, he erected a pretentious adobe fort. It was two miles from the river where he first landed and contained

all the conveniences of that day. It still stands today in the heart of the city, a shrine to a courageous and far seeing man who hoped to bring a type of civilization which he believed would endure and be good for the few inhabitants in the area. Needing lumber to continue building and not finding the type he needed in the Sacramento Valley, he established a saw mill 50 miles away in the Sierra Nevada Mountains, on the banks of the American River, a tributary to the Sacramento River. The spot selected was to change an empire!

## Race of Sutter's Mill

It was in January 1848, that one of his five employees, James Marshall noticed glistening specks in the tail race of Sutter's Mill. While he was being jeered by his fellow workers, Marshall stood in the rippling stream, picked out the golden specks, and filled his leather pouch with them. Was it real or fool's gold? There was only one way to find out and that was to trudge back 50 miles over rough mountains and howling winds to Sutter's Fort and have the "old man assay it."

In the little assay office, which you can still see and visit, Sutter's tests proved that Marshall had found pure gold! Marshall could not contain his joy, and embarked the following month by boat to San Francisco against the expressed wishes of Sutter. In the mad gold rush which followed in 1849, Sutter's employees deserted him, his thriving farming and trading center was ruined and his land was taken from him by squatters. He never recovered and died 30 years later, poor and unknown, in a little Pennsylvania town.

In 1848, Sutter's little town had less than 500; by 1850 the city had grown to 9,000 and in 1854 the California State Capital was located in Sacramento—the largest city in the State at that time. Today the City and County of Sacramento has a population in excess of 425,000.



Jet plane production line, McClellan Field, Sacramento

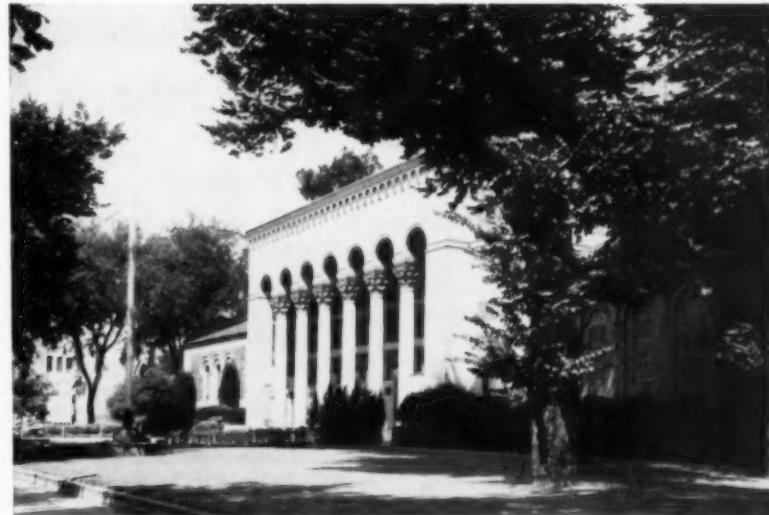
The Pony Express started in Sacramento. The hardy drivers mounted their horses and rode to St. Joseph, Missouri, 2,000 miles away! Some of them never made it as they were shot in the back by Indians, or froze to death going over the high Sierra Mountains in winter. You can still see the starting place and the spot where they pulled up when they came from Saint Joe. Across the street from their hitching posts is the first telegraph office in the West and one block further is where they broke ground January 21, 1863, for the first transcontinental railroad. In front of the Southern Pacific Railroad Station is the first steam locomotive—a one-wheel drive, which played an important part in California's early days. Sacramento has two of the "Big Four" homes still standing—Stanford's and Crocker's. Mighty interesting to visit; you will see the fine woodwork of that era in the Stanford home, and in Crocker's you will be amazed at the outstanding art collection.

#### The "Big Four"

I would like to tell you more about the "Big Four," Stanford, Huntington, Hopkins and Crocker, and how they gathered in Sacramento and planned the railroad over 8,000 feet high mountains; their bringing of 5,000 Chinese coolies to dig and prepare the road bed; and the day when 10 miles of track was laid—a record that has never been beaten. But you have to come to Sacramento and see for yourself the achievements of those rugged pioneers. When you do, visit the State Capitol and view the large painting hanging in its massive hall depicting the driving of the last gold spike of the railroad at Promontory Point, Utah in 1869, six years after the start of the project.

The State Capitol challenges your belief. The granite used on the ground floor was quarried 20 miles away and hauled by teams of horses. There was no railroad then. To secure the brick for the balance of the building, a brick plant had to be built. And the dome of the Capitol, 90 feet in diameter and 214 feet high is all brick! A brick mason will tell you they are not building like that today.

But Californians do not live in the past. Three years ago they built a \$10,000,000 addition to the Capitol, making the old and the new blend perfectly. It is said by many travelers to be the finest State Capitol in the nation. Sacramento has big air fields, repair shops, canneries, gold



Sacramento Memorial Auditorium

digging, crop raising, 450 foot high dams (and more being built), trees, flowers, fine motels, and happy people who want to be your hosts.

Sacramento is proud too, of the Retailers Credit Association of Sacramento. It is a fine organization and does a lot of good; all the merchants are members. It has an interesting history. A young fellow by the name of Arthur Henning, way back in 1912, with no money but full of energy, ambition and a load of courage founded the organization. At the start he had a hard time trying to pay rent for a one-room office and \$25.00 a month to his secretary. She had to be his typist and bookkeeper too! To pay the rent and his employee, he bought soap (from his customers who could not afford the \$1.00 a month dues!) and resold it in Roseville, a little railroad town 18 miles away. He made a go of it and in the years that followed he made the R.C.A. not only the finest in Sacramento but throughout California!

#### Moved Eight Times

Since 1912, the R.C.A. has moved eight times to larger quarters. The final move was in 1951, when it located in its own new building that was architecturally designed to meet all of its requirements. The two-story building with 17,200 square feet has a commodious parking lot to accommodate members.

Arthur Henning had the foresight to make his firm a nonprofit organization and brought to its Board of Directors the leading merchants, doctors, lawyers and accountants of the Sacramento area. That Arthur Henning and these men did a good job is attested by these few statistics:

Date	Employees	Members
1912 .....	1	18
1940 .....	53	600
1950 .....	84	850
1957 .....	130	1,566

They have over 600,000 individual files and in 1956 collected more than \$500,000 through their collection department.

When you visit R.C.A.'s modern, new building, ask to see how they do their Credit Reporting, Collections, their handling the Medical-Dental-Hospital Division and their Building Material Dealers bureau. They have a branch office in the fast growing North Area of the city, and have the ownership of the Credit Bureau of Lodi, California. Sacramento's R.C.A. has also some special features that you should see.

Also drop up and meet Arthur Henning. He is retired but he has his special office in the R.C.A. Building at 1801 J Street and he knows more about credit than anyone.

Since Arthur Henning's retirement, Elbert F. Hodge, who has been with the R.C.A. for more than 25 years, has taken over. He is doing a great job and he will be happy to explain any detail of R.C.A.'s operations. He has new ideas to meet the demands on the R.C.A. when Sacramento will have a million people. That is less than 20 years away!

We all would like having you visit us, so we can show you how nice all these things are. We did not try to tell you everything about the place as we kept a few from you for a surprise when you get here. Let us know when you are a comin', and we will go a diggin' with you—either for gold or credit reports! ★★

# Are You and Your Association Responsive to Each Other's Needs?

WAYNE W. WHITE

**Regional Credit Manager, Standard Oil Company of California, Sacramento, California**  
**Past President, Retailers Credit Association of Sacramento**



IT IS NOT new that a competent Credit Manager's judgment of a credit application is no better than the information on which he bases his decision. That information is no more reliable, in retail circles, than is the Retail Credit reporting agency that assembles it and compiles it. This all adds up to the fact that in the last analysis a competent Credit Manager's decisions can hardly be more reliable than the reporting agency on which he depends for prompt information in as complete form as possible. Surely this is enough to show that a close working relationship is necessary. In the petroleum credit card field it is indispensable to sound credit practice.

## "Prompt" Information

"Prompt" information in specified here because information that is delayed too often results in no credit decision being possible until it is too late. This, in the case of a worthy credit applicant, has the same impact on the merchant as the erroneous declination of credit to a worthy applicant. It amounts to refusal of credit by default, so to speak, because in the waiting period the impatient applicant sometimes approaches another merchant with a credit application. The Credit Department of Merchant No. 2 calls the Retail Bureau; receives the partial or practically completed report there in process for Merchant No. 1, accepts the applicant immediately and makes the sale. This makes something or other out of Merchant No. 1 and his Credit Manager. Promptness and reasonable thoroughness are not always compatible in the credit reporting field. We must philosophically accept these situations, which sometimes occur in the petroleum credit card and auto accessory fields, and explain to frustrated sales personnel that we gain as many as we lose by these unavoidable mischances in timing. Reporting Bureaus cannot refuse credit information to Merchant No. 2 because they are then engaged in compiling a report for Merchant No. 1. A certain class of credit risk will

put in credit applications for a set of tires simultaneously with several suppliers and buy from the first that accepts him, often to the seller's regret. It is helpful if, credit management, reporting agencies and sales personnel recognize and simply live happily with such circumstances.

It is also stipulated here, in mentioning another example of the benefits of responsiveness each to the other's situation and needs, that credit information in as complete a form "as possible" is an essential to the reliability of a reporting agency. It is doubtful if the unmodified word "complete" can ever reasonably be applied to credit information. It is seldom, if ever, possible to have all of the information about anyone, or to know when we do have it all. The mental reservations and unvoiced intentions of an applicant, for example, are never known. Right here is your spot for the quip: "So what?" Simply that we have to settle for and make decisions upon as much authentic information as we can get in a reasonable time. It has to be enough to indicate a pattern of the applicant's mode of living, ability to pay when due and the integrity to do so. Having this we should not transfer any of our indecisiveness, equivocations and procrastinations back to the reporting bureau with vague and general requests for more information. There is nothing wrong with a request for specific supplementary information, though it is usually best obtained from the applicant direct. When we cannot be specific with the reporting bureau as to what further definite information is essential a little self examination might tell us that what we really wish is that some one else make a difficult decision for us. The more time a credit reporting agency loses running up non-essential blind alleys the slower will be its over-all service.

## Semi-Annual Meetings

In all California areas, though these comments apply directly to the Sacramento and Northern San Joaquin Valley areas, semi-annual

meetings have been held for some years between Credit Bureau Managers and Petroleum Credit Managers where many things peculiar to the mutual needs of Petroleum Credit granters and credit reporting people serving them are discussed and resolved into improvements that make Bureaus and Petroleum Credit Managers work better together. Naturally, for geographical reasons, location of offices of petroleum credit managers in Sacramento, besides it being a population and legislative (State Capital) center, the Retailers Credit Association of Sacramento has for many years been a most active participant and leader in fostering a relationship where Credit Bureaus and Petroleum Credit people are very responsive to the needs of each other. It can be properly said that the Sacramento Association and its affiliates in the two Valleys have an unusual sensitiveness to the peculiar needs of Petroleum Credit Card granters. Petroleum Credit Managers could not function nearly so well without the bureau's appreciation of the special problems that credit cards pose.

What is so different about granting petroleum credit cards? Simply the difference between closely controllable and quite uncontrollable credit, once it is approved. If a store credit manager after viewing a reasonably satisfactory credit report puts his approval on a \$75.00 line of credit for a man's business suit his sleep is undisturbed—that is all the applicant can get unless the credit manager chooses to give him more the next time he comes into the store. If it was a petroleum credit card instead of a man's suit he might not sleep so soundly. The applicant would have probably applied by mail. The credit manager or credit department will probably never see this person if the card is approved, though he may show up at the credit office in high dudgeon if it is declined. The card holder can easily run up a large account far beyond his ability to pay promptly, if ever, before effective action to restrain the purchases can usually be taken.

The petroleum credit manager's view of the credit bureau is "What will this up-to-now fairly good credit buyer do if given a credit instrument that requires him to control his purchases rather than have me control them for him?"

The petroleum credit card grantor therefore has to have enough from his reporting bureau to, with reasonable consistency, rightly decide what a credit buyer will do when he is strictly on his own without any credit manager restraints. Admittedly, no credit reporting agency can compile a report that will definitely indicate that. The petroleum credit manager can only add his experience with credit card buyers to what he sees in the report as to permanency of residence, income, integrity, stability, good trade paying record, or the partial or total absence of any of these things and decide to accept or decline the account. If for any reason such living habits are not clearly indicated the decision becomes, as Winston Churchill expresses it: "An enigma within a dilemma."

Suppose we look at some amusing requests petroleum Credit Managers receive from credit card holders, bearing in mind that there are unknown thousands of service stations in North America honoring numberless oil companies' credit cards running into the millions, and that most cards have a minimum quarterly period of validity. Here are some typical requests:

"Cancel my card—it was stolen."  
"Cancel my card—I've lost it."

"Please cancel my card. My wife left me taking the car, the credit

card and my neighbor's husband. They are in New England somewhere."

"I loaned my card to my fiance who has disappeared. The last charge slip was from Alaska. Cancel my card immediately."

"I am a school teacher. I have just returned from a wonderful summer vacation trip through the east and find my bill is \$536. How do you suggest I pay this off?"

"Please cancel my son's credit card. I have been paying his gas and oil bill. He goes to Notre Dame but I've been getting charges from Florida."

#### Credit Card Applications

Now, suppose you are to pass on a petroleum credit card application. Would you like another look at that credit report before deciding? At least the difference between controllable and uncontrollable credit should now be in focus.

Instances are very numerous where credit tragedies have been averted because the Credit Association knew a requested report stemmed from a credit card application, plus the all important fact that the association management personally felt close to the Credit Manager involved as a result of the semiannual meetings. Within the last few days an excellent credit report was received from the Credit Bureau of Stockton, California on a substantial citizen. The report carried a note attached: "Mr. X says he has not signed a request for a credit card from any oil company and does not wish one." The association had telephoned to the supposed applicant because the credit applicant bore a dif-

ferent address than the address on record at the association. An ex-convict, former employee of Mr. X had signed the latter's name to a credit card application blank, necessarily placing an address other than Mr. X's on the form to which the card was to be sent. It is anyone's guess how much of a loss was thereby averted.

Credit card collection items receive the same intelligent treatment by our bureaus. Oil company credit managers receive requests to talk to the entire collection personnel of bureaus, as a group, to let them know what preceded reference of the claims to the Bureau, from original acceptance of the risks down through the last Company payment demands. This prevents the Bureau from starting all over again with the refractory debtor. The Bureau takes over where the oil company left off. The bureau knows approximately what over-all returns the Company expects, in the light of its risk acceptance practices; and the people in the bureau get a realistic feeling that they are a collection arm of the oil companies and that they are not something apart from their clients who must produce results regardless of methods employed.

Obviously, we have a most effective and friendly Bureau-Oil Company relationship in this area. From personal local experience over many years it is fitting and just to acknowledge that the leadership, in taking the initial steps that brought this about in the Sacramento Area proper, was provided by the management of the Retailers Credit Association.

★★★

## Letters to the Editor

"Congratulations on the September 1957 issue of THE CREDIT WORLD. We have followed this magazine through the years and have always found it a fine source of information and inspiration."—Frank P. Wilson, Jr., Controller, White & Kirk, Amarillo, Texas.

◇

"Your fine publication, THE CREDIT WORLD, always contains so many interesting articles that it has a priority on my reading time each month. Every user of credit on the North American Continent should read the article 'Credit' by Dr. Walter G. Peiser, in the October 1957 issue."—Lloyd E. Jones, Vice President, New Hampshire Finance Corporation, Manchester, New Hampshire.

◇

"The CREDIT WORLD is a fine publication and should be in the hands of every credit granting person."—J. S. Riley, Manager, R and R Collection Agency, Bristol, Virginia.

◇

"I am returning the slides and narration on 'National Retail Credit Association—Its History and Services.' The presentation was enthusiastically received and quite a number

of favorable comments were made at the conclusion of the meeting. Thanks for permitting us to use them."—Kenneth O. Eddins, Secretary, Memphis Retail Credit Association, Memphis, Tennessee.

◇

"I sincerely believe that you have published some of the best articles in the September CREDIT WORLD that I have seen for a long time. Would appreciate your sending me five additional copies."—L. Roy Christie, Secretary-Treasurer, United Oil Corporation, Columbus, Georgia.

◇

"Our local group who attended the Conference in Miami Beach really got a lot out of it and we all considered it an outstanding success."—Mrs. Maude Wilkinson, Credit Manager, Willson-Chase, St. Petersburg, Florida.

◇

"The clock radio sent us in connection with the President's membership drive will be given to John Hasstadt, our membership chairman who brought in 129 new members. I hope that one of these days the N.R.C.A. will have a membership of 2,000 in our city."—N. M. Macleod, Secretary, Spokane Retail Credit Association, Spokane, Washington.

# The Credit Bureau of Sacramento County

operated by

## Retailers Credit Association of Sacramento



ARTHUR F. HENNING

Honorary Chairman of the Board

IT WAS back in 1912 when the president of one of the city's large department stores called into his office his employee, Arthur Henning, giving him instructions to make a trip to San Francisco to learn of the requirements necessary to form a credit bureau for the benefit of Sacramento's retail firms. Soon thereafter Henning found himself seated in the office of Retailers Credit Association, San Francisco, and in an interview with the late William Loewi, then the manager of that organization.

### Financial Support

Henning's report upon his return was not too encouraging, but at the insistence of his "Boss," and every assurance of nominal financial support and maximum moral support, Henning left the employ of the store and ventured into the field of uncertainty which proved to be the beginning of a Retail Credit Service in Sacramento. It goes without saying that this beginning was from scratch. With little or no capital, and only limited merchant interest, the difficulties were many, even to the point of frustration. The thought of quitting, and going back to cutting silks by the yard probably occupied more of the organizer's time than did his thoughts toward developing a "hard to come by" business.

However as time went on, more firms displayed interest. One by one they were added to the fold, and by 1916 a firm "toe-hold" had been established. As many as 100 written reports were being sold in a month at the fabulous price of 25 cents each. And even though these reports were lean in information (probably not worth more than the two-bits paid) they nevertheless formed the basis for the Bureau's permanent files.

From 1912 to 1921 the Bureau remained the private property of Henning. It was during 1921 that Henning offered to "give" the business to the merchants provided they would make of it a "member owned" association. They accepted.

At this point the Association was incorporated, adopting its present name, and 175 firms were on record as holding membership. It was also at this point where the directors voted to assure their Secretary-Manager a monthly salary of \$125.00.

As more years passed, so did the Association demonstrate its growth. Numerous small offices rented in office buildings were being outgrown one by one. In the late twenties the directors concluded than an operation such as this was too important a public service to be tucked away in an upstairs office, and consequently the decision was reached that any and all future offices be on the ground floor, and in the center of the business district. Several such locations have been occupied in the past, but since each always appeared to be outgrown in a few years the directors ultimately decided that a more permanent home for the Association be acquired. Consequently plans were made for the construction of a modern two story office building which the Association moved into in 1952. Here it now houses its staff of 125, and serves the membership of just around 1,500. All this was accomplished without one member contributing as much as one penny. Each full member is given one share of stock free. Today the Association has aside from its other assets a very substantial equity in land and building valued at \$350,000, with each member having his own little share therein.

### Services Available

Every type of consumer credit granting business is identified within the Association, and services are geared to meet the demands of these different classifications. No longer is service limited to retail shops who originally created the service. But Banks, Petroleum Companies, Financing Agencies, Building Material Suppliers, Doctors, Dentists, Hospitals, Credit Unions, County and Federal Agencies as well as large Industrial Plants avail themselves of service as needed by them.

In order to serve all these groups more effectively, the following separate divisions are maintained:

1. The Credit Bureau
2. The Adjustment or Collection Department
3. The Medical-Dental Bureau
4. The Building Materials Division
5. The Public Relations Department
6. The Customer Relations Service.

Within these various sections work is further broken down to more adequately serve such larger groups as Department Stores, Petroleum Companies, Banks and Finance Companies. Most modern equipment is employed and a battery of Teletypes, together with automatic Teletype typers connect the office with numerous banks and stores. A branch office is maintained in one of the faster developing suburban areas to better reach those of our members further removed from our main office.

### Nature of Services

Nature of all services rendered are the outgrowth of the expression of the membership, studies made by various active committees, and finally by action of the Board of Directors. Weekly luncheon meetings are held by the Retail Credit Club of Sacramento County, and the Building Material Dealers Division. A monthly meeting is held by the secretarial staffs of doctors and dentists. These activities form the "hub" around which the Association works, and the points from which stem the ideas for new as well as changed services. Needless to say "All work and no play does make Jack a dull boy," and for this reason numerous social events are planned throughout the year where all members of the Association may participate.

Great pride is taken in the fact that the Association endeavors, and succeeds, in cultivating the good will of the consumer credit buying public. Facilities are provided for interviews where the "newcomer to town" or the person with a "financial ques-

tion on his mind" may sit down with an experienced person to discuss his problem.

That this practice of being helpful has been successful is best demonstrated by observing that three full-time employees are engaged in handling interviews which run into several hundred every month. Not only do persons call to establish their credit, but to have their credit rating reappraised, changed, improved, or to find out why their opportunity to buy on credit has been deprived them. Many go even so far as to seek advice on contemplated purchases of homes and furnishings, as well as to discuss their intentions of making loans.

#### Services Under Scrutiny

Credit reporting services are constantly under scrutiny here, as elsewhere in the country. Changed policies in member stores and offices compel credit bureaus to readjust their services to fit these new demands for greater speed, more accuracy and dependability. It is a real challenge to every bureau, Sacramento included. Numerous innovations have been adopted here which are beginning to give evidence of their value. Our membership has been most cooperative in assisting

the Bureau in bringing some of these advanced improvements about.

In the field of collections members are afforded the opportunity of using several services. Complete pre-collection programs are a part of the overall collection system employed. The Association has proved, that IF its complete service is employed, that the ultimate cost, or commission paid for dollars collected, can, and has been reduced to as low as 18 per cent. But not only does the Association provide these more normal and generally recognized practices of collection, but it also makes cash advances on claims listed for those who desire to liquidate a portion of dormant receivables right away. For the past year the Association has also been experimenting with a plan whereby the payment of an account would actually be guaranteed by the Association in the event such accounts had first been investigated by the Bureau and found to be worthy for the credit accommodation sought.

Because of the existing need for almost "world-wide" coverage in both credit reporting and collection work, the Association maintains the following important connections:

Associated Credit Bureaus of the Pacific Southwest

Associated Credit Bureaus of America  
Collection Service Division of ACBofA  
Medical Credit Division of ACBofA  
Credit Management Division, National Retail Dry Goods Association  
National Association of Medical-Dental Bureaus  
National Retail Credit Association.

Mr. Henning retired in the spring of 1957 after having served for 45 years. In his place the Board of Directors appointed E. F. (Bert) Hodge, who for 27 years worked in various divisions of the Association, and acted as assistant manager under Mr. Henning for a number of years. Elmer Conner for 22 years Manager of the Building Material Dealers Division was named Assistant Manager. Other competent department heads supervise the work of the separate divisions.

Management of the Association has always held high the importance of close alliance with credit associations and credit personnel everywhere. The benefits derived therefrom have in the past, as they will in the future, greatly aid and assist in the further development of the Credit Bureau structure of America. \*\*\*

## The ONE Book Every Collection Man Should Have

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**SECURITIES CREDIT CORP.** of Denver, Colorado, ordered 14 copies.  
**MERCHANTS ACCEPTANCE CORP.** of Worcester, Mass., has ordered 21 copies.

**MILLER MANAGEMENT CO.** of Nashville, Tenn., ordered 160 copies. Recently they ordered an additional 84 copies. They write: "Many thousands of dollars' worth of skip accounts have been located through the direct result of your book."

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# What Bankers Expect From Financial Statements and Credit Agencies

E. HAVILAND JOHNSTON

Assistant Vice President, Bank of America, Sacramento, California  
President, Retailers Credit Association of Sacramento



THERE IS probably no group that appreciates or boost the work of qualified accountants and credit organizations more than bank credit officers. From my experience, I know that bankers and these agents understand each other well.

The adequacy of financial statements submitted for bank credit purposes has always been, and continues to be, of outstanding importance to banking groups. Various societies have cooperated wholeheartedly and effectively towards getting complete information into the banker's hands.

The practice of employing dependent accountants to examine and report upon financial statements has grown substantially in the past few years and today it is a customary requirement in connection with many of the sizeable loan applications. In spite of the progress made, by far the greater proportion of financial statements used, as a basis for credit extensions are not audited, and in fact many of the statements are well known by us to be merely estimates.

Business operates today under conditions entirely different from those of even 50 years ago, when the average business was a small entity, owned and operated by one individual. The businessman's trade area was small and frequently his entire clientele consisted of individuals he had known for years and with whose background, integrity and ability he was well acquainted. Competition was less keen and credit extensions were moderate amounts.

Conditions today are quite different. Credit is granted in larger amounts. The automobile and other means of transportation have expanded the trade areas. National corporations transact a sizeable portion of all business. The executives

of these large corporations cannot have detailed knowledge of the integrity, ability background and financial responsibility of each of the customers with whom their companies do business. Modern business, for the greater part, is conducted with new acquaintances whose character, capacity and financial resources have been unknown quantities.

The same changes have taken place in our banking system. Rarely today can one find a bank whose borrowers are lifetime acquaintances of the loaning officers. The trade territory of even the smallest country bank now encompasses a fairly wide area, and the largest financial institutions transact not only a national business, but an international business as well. As a result, bankers today must depend to a lesser degree on facts acquired through personal acquaintanceship with customers and rely upon other sources of information when making a loan decision. The other sources of information have manifested themselves principally in the demand for more complete and accurate financial statements.

In making loans the banker's problem is the determination of the degree of risk involved in each proposed credit. To the untrained, a credit risk is likely to appear to be composed of a conglomerate mass of credit data involving facts, opinions and contingencies that frequently seem rather formidable and discouragingly complicated.

The process of analysis is essentially a process of simplification and application of analytical procedures to the component parts of the credit risk.

All credit problems, however complicated and involved they may appear at first glance, may be resolved

into the consideration of three component parts of the credit risk. These are: (1) The personal factor, (2) The economic factor, (3) The financial factor.

The personal factor concerns the human element present in every business transaction. For credit purposes, it involves an analysis of the honesty, ability and resourcefulness of management and the efficiency, attitude and sufficiency of the labor employed. The human element is examined first by the experienced bankers, as unless the lender can satisfy himself of the debtor's desire and willingness to repay the loan, it is little use to proceed further.

In the breakdown for analysis purposes in the economic factor we consider general business and economic conditions, specific industry trends, technological developments, taxation and other legislative controls and restrictions. Without a proper consideration of these related influences, no credit investigation is complete.

It is obvious credit cannot be extended to business enterprises on the basis of managerial integrity and ability and the economic climate alone. To succeed today, a business must have responsible capital at its disposal and there must be some tangible asset protection behind an advance if it is to be construed as a prudent lending transaction. The appraisal of the extent of that financial responsibility in the analysis of a credit risk, may be set aside and examined under the heading of financial factor.

The predominant characteristic of the financial factor in credit analysis is its inseparable affiliation with financial figures. All the considerations we group under this heading are ordinarily and properly reflected in dollars and cents on the books of a business. The evaluation of the financial factor in credit analysis is dependent exclusively for all practical purposes on the evaluation of financial statements.

For a banker, the importance of careful and accurate statement analysis cannot be stressed too greatly since the proper evaluation of the

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financial statements is probably the most significant single influence in the formation of a sound credit decision. The importance of proper statement analysis becomes obvious when you realize that many a safe business loan may be made on the strength of statement analysis alone; that is, they can, if reasonably adequate information concerning past operating results, present financial strength and future financial plans, is available. This is true because the financial figures mirror much of the significance of the personal and economic factors mentioned. From a study of operating statements and budgetary estimates, the analyst deduces an opinion of managerial capacity; from observations of accounting treatment and of business policies as evidenced by the figures, he obtains a clue to managerial integrity; and from the trend of activities and balance sheet proportions he has a partial means of projecting short range economic developments.

Financial statements are comforting to a banker. Other than what can be learned of the human element from the financial statements, an appraisal of the personal factor is dependent on vague, intangible evidence, largely in the form of opinions and impressions, and there is no way of assuredly predicting human behaviour. The economic factor, too, is difficult to appraise as there are many far flung and unforeseeable influences that are incapable of definite delineation. Only the financial statements remain with reassuring aspects of factual reality, since it cannot be denied that financial statements have fewer of the elements of uncertainty than any of the other factors bearing on a credit risk.

#### Statement Analysis

The effectiveness of all statement analysis is necessarily dependent on the extent to which the statement figures are accurate, reliable and reasonably representative of factual conditions. Unfortunately, opinions and estimates also enter into the preparation of financial statements, particularly in the valuation of inventories, the determination of bad debt charge-offs, depreciation provisions, even as they do in formation of conclusions concerning other phases of the risk. The value of financial figures may be increased greatly through the preparation of financial statements by honest, expert and completely independent accountants.

The personal interview must be regarded, however, as a supplement to and not a substitute for financial

statements. It is unfortunately true that in spite of the emphasis that has been placed on financial statements in the last few years, there are still bankers who will state, "the personal interview is worth more than an accounting statement at any time." Such a remark would seem to indicate either an inability to analyze statements or poor preparation of such statements, as the banker has had occasion to use. If one has analytical ability and is working with factual statements, surely the statement should count something against mere personal impressions. If this were not true we should all be purchasing gold bricks instead of well secured bonds.

#### Extent of Information

The extent of the information needed by the banker, of course, varies greatly, depending upon the nature of the business, the amount of the loan needed and the time required for repayment. There is always, however, a certain minimum of information necessary for the analysis of a credit risk.

In recent years banks have also become an integral part of the consumer credit field, and the granting of loans, or the financing of paper for individuals calls for a type of investigation quite foreign to the commercial credit field. While here too, a basic statement of the applicant's financial position is helpful, inability to obtain complete statements, and many times so because the applicant might never be seen, the bank is placed in the position of having to obtain its required data on the applicant in other ways.

In Sacramento all Banks have affiliated with their Retail Credit Association, and practically every new applicant is screened through the Credit Bureau. Whether it be paper that is being financed, or money handed to the applicant in form of a loan, his basis for obtaining same must largely rest upon the credit rating the applicant has established among other retail firms in the community. More stress must also be placed upon employment, length of employment, nature of the employer, family, income, etc. In respect to obtaining the foregoing data we have found these services of our Credit Association most valuable, particularly so since most bank credit transactions have been recorded with the Association, thereby giving to each inquiring bank the full information of applicant's previous, or existing transactions with other banks in the community.

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# Solicitation—The Adrenalin of Credit

EARL G. CASEY

Credit Sales Manager, Hale's, Sacramento, California  
Past President, Retailers Credit Association of Sacramento



CREDIT is the illegitimate child of merchandising. It was never conceived, but rather was the result of a merchant becoming over friendly with his customers to the extent that he entrusted his merchandise to them in the hope that he would not be betrayed. Credit was extended hesitantly, dubiously, and grudgingly.

As our little credit infant grew, it became apparent that this hitherto unwanted child possessed possibilities and joy, to its parents, never before dreamed possible. With the years, our Credit child grew to robust manhood and instead of hiding him when company came, he had at last become the prime object of his parents' affections. The realization that credit sales carried a great potential for increased profits, not only through the increased sales of merchandise, but also through service charges, an illegitimate child was given a place of honor in the family.

If this seems a facetious way of introducing the subject of Credit Solicitation, believe me, there is nothing facetious about its value and importance in our present day merchandising. It is an unquestioned fact that a business can grow only in direct relationship to the growth of its credit sales. Thus it becomes of immediate importance that we explore every and any method that will introduce new accounts to our store. The successful realization of this goal is dependent upon the aggressiveness, the imagination and the

intelligence we employ in its pursuit. It has been estimated that the annual credit customer turnover is 20 per cent. This indicates that not only must we replace this loss, but if we are to progress, we must show a gain.

It would be presumptuous of the writer to go into a lengthy dissertation about the mechanics of new account solicitation. I am certain that everyone is aware of the steps that can be taken and the sources of new credit accounts that are available. While new accounts are the life-blood of any business, it cannot be stressed too greatly that quality far exceeds quantity in importance. There are many ways by which we can load our ledgers with names. Our primary concern should be:

1. Acquisition of the choice accounts.
2. Developing them into becoming steady credit buyers.
3. Keeping them.

How and where do we find these choice accounts? Professional Roseters, better service organizations such as Rotary, Shrine, Chamber of Commerce, etc. The sources are almost endless. We are more concerned with how we get them on our books. The generally accepted methods used are:

1. Direct solicitation by phone.
2. Direct solicitation by letter.
3. By invitation through placards placed strategically throughout the store.
4. A final method which has re-

cently been inaugurated and which has achieved spectacular results is the solicitation of new accounts through the local credit bureau.

How do we keep these new accounts?

1. By sending them advance sales notices.
2. By a follow-up letter noting their purchases and expressing appreciation.
3. By a desire to please.
4. By an intelligent analysis of the account and the adoption of procedures that will insure their remaining on our ledgers.

I should like to revert back to the subject of solicitation of new accounts through the local credit bureau. Several years ago, through the joint efforts of our store and the local credit bureau, a method of new account solicitation was formulated that was almost dramatic in its success and a revelation in its economy. A number of housewives with pleasing voices were trained by the bureau to solicit new accounts by phone in their homes. Each woman was given a section of the telephone directory and it was her job to call each listing. She identified herself as representing the public relations department of our store. All of them were instructed to use the same name. Their opening line was "Do you have an account with Hale's?" If the answer was in the affirmative, then she asked if the service was satisfactory, or if she had any suggestions by which the service could be improved. Many inactive accounts were re-activated through the clearing up of minor differences. A better customer relationship was established. (One sidelight of this program was that the entire children's department of our store was rearranged when it was found that an overwhelming amount of complaints was received because of poor location.)

If the answer was in the negative, the person's name, address and phone number were written on a card, returned to the credit bureau and a credit investigation was started. The person was rated in code and the

(Turn to "Solicitation," page 28.)

# Today's Credit Sales Manager The Man of Many Hats

A. G. BASSHAM

Credit Sales Manager, Breuner's, Sacramento, California  
Past President, Retailers Credit Association of Sacramento



MANY OPINIONS have been expressed, and many articles written regarding the growth of credit and its place in retailing. At about the turn of the century, credit to a merchant was somewhat of a nuisance and to an individual, somewhat of a disgrace. Credit was granted in emergencies but reluctantly. Since there were no Credit Managers, it generally meant that the "Quill" pen bookkeeper would ask the owner of the establishment if he wished to give Mr. X certain merchandise on his promise to pay. Later, oddly enough, credit entered a privilege state with only people of distinction being allowed charge accounts. However, the merchants found, to their surprise, that such customers did buy better merchandise and more frequently than cash customers. Yet salaried and wage earners were still excluded from such privileges. Inevitably, the new sales tool began to be recognized and the store who extended credit privileges did more business and the bookkeeper was faced with the added duties of keeping a record of such sales, sending a monthly bill and paying some attention as to how they were paid, but still no official Credit Managers.

Merchandise executives gradually recognized that credit was truly a new sales tool but that there was no scientific basis for credit other than a personal knowledge of every customer, and such was entirely too limited. Although the author is unknown, it was in due time agreed that credit should be based upon the three C's . . . Character . . . Capacity . . . Capital. Most of us who have been in credit work for several years recognize that we should add two more C's, specifically, Competition and Conditions. Now let us see what has happened to this graduate bookkeeper, known as the Credit Manager and more recently as the Credit Sales Manager. He still must wear his "Bookkeeping Hat" because he must keep informed of the many systems and machines which have been offered for this purpose.

Currently, cycle billing is most widely accepted. It has created many new training and personnel prob-

lems for the Credit Man. Billers, Unit Operators, Authorizers, Sales Tag Auditors, Prelist Clerks, Cashiers, Bill Adjusters, etc., all requiring new instructions and new training to make the Cycle Billing an efficient operation. Rarely has a Credit Manager reached his current position without at one time having been an interviewer and he must still retain his "Interviewer's Hat" for many special cases and must keep control of his Interviewing Staff for efficient operation, making certain that the personality is turned on and the "Red Carpet" always out to our good customers when they sit down to open a new account, arrange additional credit to an existing account, or reopen an old account. The "Analysis Hat" naturally follows . . . here he may, behind closed doors, adopt a more serious attitude when analyzing the customer's credit history. Under this Hat the task of approving a large percentage of excellent customers is quite simple. Also, the task of rejecting a small per cent of unsatisfactory risks is quite simple but the chore of making decisions on a heavy percentage of doubtful in-betweeners will never cease be a challenge to the credit executive.

## Collection Picture

Next, the "Collection Hat" and in my opinion the Credit Manager who does not spend a large portion of his time with his Collection Division or on collection work is doomed to failure. All of the space allotted to this article could be consumed under this one Hat. However, we must move on but not without the admonition to everyone in the business to stay close to your collection picture.

"Public Relations Hat" is another of the utmost importance. It is the responsibility of the Credit Manager to see that every new account receives a warm message of welcome—to properly thank those customers who complete their obligation promptly—to have proper literature and means of reactivating paid-up accounts—to maintain a steady flow of letters to customers who have privileges under revolving credit.

The "Adjuster's Hat" must always be handy and in readiness since without warning offended customers descend upon us by mail or in person with threats to "pay no more" until certain corrections are made or close the account because of certain offenses. Although it is our responsibility to apologize and correct errors in billing, or collection work, yet we find ourselves involved in delivery failures, unsatisfactory or damaged merchandise, impolite personnel in departments far removed from our responsibility; in fact, just about everything from a faulty can opener to an off key piano.

Let us not overlook the "Advertising Hat." A certain per cent of a Credit Manager's time must be spent with the Advertising Manager. Terms must appear in advertisements . . . credit signs throughout the store . . . monthly payments on specific merchandise . . . credit applications located at strategic points such as elevator levels, entrances, writing desks, etc. Folders outlining credit policy at convenient points throughout the store for customers to take at will, as well as special terms offerings for a seasonal promotion such as clearance sales, Easter period, Thanksgiving and Christmas.

The "Profit Hat" is equally important. No longer is the credit sales department a strictly service expense. For the past several years it has been proven that credit service charges on instalment accounts and the soft goods revolving charge accounts are definitely profit making operations.

The "Policy Hat" is no less important than the others. Today's Credit Sales Manager must meet with management to assist in establishing policies regarding charge accounts, instalment plans, down payments, length of contracts, add-on plans, revolving credit, etc.

Finally, the "Extra Hat." Today's Credit Manager must take an active part in Credit Clubs, Credit Associations, Charga-plate Groups, as well as district and national credit conferences.

Needless to say, all of these Hats  
(Turn to "Many Hats," page 28.)

# The New Philadelphia Junior Credit Managers Association

CHARLES F. SHELDON

Manager, Philadelphia Credit Bureau, Philadelphia, Pennsylvania

THIS NEW and exciting adventure in consumer credit education is presented to you as a national activity recommendation from your N.R.C.A. Educational Committee: General Chairman, David K. Blair, H. Liebes & Co., San Francisco, California; Committee Chairman, Edward Schreiber of Schreiber-Miller Furniture Company, Galveston, Texas and Lindley S. Crowder, General Manager-Treasurer.

Cities who are inclined to initiate such an activity will receive dividends far beyond their expectations. For too long the planned attracting of High School students into the consumer credit field has been neglected. Often the part-time student working in consumer credit offices selects other types of work upon graduation.

Through the new Philadelphia Junior Credit Managers' Association,

the Philadelphia Retail Credit Managers' Association hopes to change this unsatisfactory end result of part-time workers and, while doing so, teach the students the "whys" and "wherefores" of consumer credit. As future credit customers purchasing under an advanced consumer credit economy, they should be alerted to its short and long range advantages and disadvantages.

The challenge of organizing a Junior Credit Managers' Association was offered to our association at a monthly luncheon by the speaker, Wesley Scott, Director of the Division of Commercial and Distributive Education, Philadelphia Board of Education. Over the past several years, both Mr. Scott and one of his assistants, Fred Kane, have been active in establishing consumer credit theory in their curriculum. These gentlemen are responsible for intro-

ducing special classes in their division based on the text book "Using Our Credit Intelligently," a publication of National Foundation for Consumer Credit.

The challenge was placed on the next agendas of the meeting of the Directors of the Philadelphia Retail Credit Managers' Association and the Operating Council of the Philadelphia Credit Bureau. It was accepted with enthusiasm. Meetings were held with Mr. Scott and Mr. Kane. From that point on there was a rapid completion of plans. On September 13, 1957, Mr. Kane, as Supervisor of the new Association communicated with the heads of Commercial Departments of High Schools as follows:

"Consumer credit is a well-paying field that offers unlimited opportunity. It has been too much overlooked as a business career. It is the pur-



A picture of the class meeting November 19, 1957 at the Provident Tradesmen Bank & Trust Company, Philadelphia. Left to right, standing are: Frank Kane, Division of Commercial and Distributive Education, Philadelphia Board of Education; Richard J. Miller, Assistant to Executive Vice President, Pennsylvania Consumer Finance Association; John A. Sears, Vice President, Consumer Credit Department, Provident Tradesmen Bank & Trust Company; Girven H. Culley, Personnel Officer, Provident Tradesmen Bank & Trust Company; George C. Whittam, Assistant Manager, Philadelphia Credit Bureau; Arthur C. Cote, Credit Manager, Snellenburgs; Clarence E. Wolfinger, Credit Manager, Lit Brothers, Past President, National Retail Credit Association; George E. Quist, Credit Manager, Wanamakers; Bernard D. Bodoff, Manager, Collection Department, Philadelphia Credit Bureau; Frank M. Layton, Credit Manager, Strawbridge & Clothier; Guenter Borg, Credit Manager, Gimbels; Wesley E. Scott, Division of Commercial and Distributive Education, Philadelphia Board of Education; John H. Dempster, President, Quaker City Savings & Loan Company; and Charles F. Sheldon, Manager, Philadelphia Credit Bureau.

pose of the Philadelphia Junior Credit Managers' Association to bring together promising, interested commerce students and leaders of the credit field in Philadelphia. It is intended:

1. To give the selected students a practical understanding of consumer credit for their personal benefit.
2. To demonstrate the importance of consumer credit in our economy.
3. To present the opportunities of a career in credit work and establish a liaison that could result in employment after graduation.

The Philadelphia Junior Credit Managers' Association has the approval of the Superintendent of Schools and the backing of the Philadelphia Retail Credit Managers' Association. Its business sponsor, The Philadelphia Retail Credit Managers' Association, will provide the programs and make the necessary physical arrangements. The school sponsors will provide the students and guidance.

The junior organization will be composed of two senior students—one 12A and one 12B—from each senior high and vocational-technical school. Exceptions are High School for Girls and Central High School. The students should be selected carefully in the bookkeeping, selling, or clerical practice courses (in order of preference). No stenographic students should be accepted.

#### Meeting Locations

Meetings will be held at central city locations on the third Tuesday of each month (generally) with the exception of December. Time of meetings will be 3:45 to 5:30 p.m. Each meeting will consist of tours, talks, tasty snacks, and questions. The city's outstanding credit men and women will be the hosts, speakers, and discussion leaders. This is a rare opportunity because these people seldom talk, but they control millions of credit dollars.

Each student member will be presented with a gold pin bearing the J.C.M.A. insignia. There will be no dues or any expenses other than carfare.

Here is the tentative program:

- |         |  |
|---------|--|
| Oct. 15 | Philadelphia Credit Bureau                     |
| Nov. 19 | Provident Tradesmen Bank & Trust Co.           |
| Dec.    | No meeting scheduled                           |
| Jan. 21 | Lit Brothers                                   |
| Feb. 18 | Quaker City Federal Savings & Loan Association |
| Mar. 18 | Wanamaker's                                    |
| Apr. 15 | A centrally located Credit Union               |

May 20 Girard Investment Co. (Consumer Loan Company)

June 17 Dinner Meeting.

Please try to interest students who will to some degree justify the business sponsors' sacrifice of time and effort.

The first get-together meeting was held at the Philadelphia Credit Bureau with Mr. Kane opening the meeting and introducing the Chairman. Arthur A. Cote, Credit Manager of Snellenburgs and Vice President of the Philadelphia Retail Credit Managers' Association acted as Chairman. To avoid the classroom effect and to keep the meeting on an informal basis, the chairs were placed in a semicircle with a table and chairs arranged so that guest speakers would face the students.

Mr. Kane and Mr. Scott briefly outlined the purposes of the association and their plans for future meetings. Mr. Cote then introduced each of the guest speakers.

After the guest speakers completed their discussions, 15 minutes were allotted for "Snacks" and the mixing together of students and Credit Managers. This proved to be an unusually satisfactory arrangement. The strangeness of both students and business men disappeared almost immediately. Intelligent and worthwhile conversations took place. Both students and Credit Managers are enthusiastic over the possibilities in this new association and the benefits to consumer credit education as well as the attraction of new applicants into the Consumer Credit field. It was obvious that a substantial attendance of leading Credit Managers at each of these meetings is required.

#### Tour of Credit Bureau

After the "snack" period, the students were briefed on the tour of the Philadelphia Credit Bureau, the Collection Department, Credit Registry and the Charga-Plate Association. Mimeographed copies of a booklet explaining the Philadelphia Credit Bureau prepared by Mr. Kane were distributed to each student.

Some of the Credit Managers accompanied the students through the Credit Bureau, Credit Registry and Charga-Plate Association offices. The meeting covered a period from 3:45 p.m. to 5:30 p.m.

The local sponsor of this activity besides the Philadelphia Credit Bureau and the Philadelphia Retail Credit Managers' Association is the Pennsylvania Consumer Finance Association. Representatives from the banks, credit unions, and petroleum

companies are members of the committees who planned the Junior Credit Managers' Association. At the second meeting, held in the directors' room of the Provident Tradesmen Bank & Trust Company, the students elected officers. After the election, John H. Dempster, Philadelphia Retail Credit Managers' Association and President, Quaker City Savings & Loan Association presented each student with one of the new lapel-blouse membership pins, shown below. Actual size is  $\frac{5}{8}$ " in diameter.



From this meeting on the student officers will conduct their meetings, arrange programs, keep minutes and, generally, run their own association activities with aid from Credit Managers and the Commercial Department of the Board of Education.

When the first year of the Association is ended, the students will have gained much experience in conducting an organization; they will have obtained practical demonstrations of consumer credit office operations; and the value of creating a good credit record also will have been impressed upon them strongly. In turn, Credit Managers will gain much personal pleasure in guiding these future credit customers into good credit risks and future credit department employees. An unexpected dividend results from the contact with student and the school department administration. That is a new field in which to make use of their talents.

Preliminary discussion already has taken place for a special course in credit office systems for the last semester of Commercial Department high school students. In due time, we hope to indoctrinate them, through classroom experience, in processing applications, dunning notices, filing, telephone work, answering Credit Bureau references, etc.—all to the end of their selecting their future employer while attending school and starting the job well prepared in theory and with some practice. ★★

# A Credit Policy for Servicemen

FREDERICK L. FALATER

CREDIT EXECUTIVES are well versed on the subject of credit, but after viewing some of your credit policies in regards to servicemen, I am surprised as to why you do not better understand their position and explore more thoroughly a field with credit potential of millions. The Technical Sergeant who is responsible in an electronics section for \$75,000 worth of equipment earns \$360 per month. He has \$180 left after budget expenditures, yet he was turned down by three banks and one credit company for trying to borrow \$300. The reason? He had no credit references in the local area. After one month the credit references from out of state arrived, but in the meantime the sergeant saw the station credit union and borrowed the money.

Our former executive officer, a Major earning \$815 per month, asked for a loan of \$400 from his own bank. He was told that since he was not borrowing with any collateral the bank would have to inventory his household effects. The Major promptly withdrew his \$1,500 savings from the bank and told them he did not want their credit.

A newly married staff sergeant was refused credit because of lack of a credit record, and the fact he was being transferred. He borrowed the money from a loan shark at 35 per cent interest and paid him back in one year.

Some of these cases may seem strange to top credit people. In fact most credit people would reply: "Well, that wouldn't happen here. We understand the serviceman's problems clearly."

But the point is these cases are just a small part of what I have seen and experienced in three years' service. Of course on the brighter side I have seen many credit people who leaned over backwards to help. These credit organizations realized that a serviceman cannot long remain in one area because of service requirements of transfer, overseas,

etc. Thus, their credit standing is disrupted, and the contingency of putting restrictions on the credit article is impossible.

In my own personal case I was asked to secure a loan with the title to my automobile. I pointed out that I was earning \$416 per month, had 18 months to serve, and that my three year credit record was outstanding. The bank credit manager agreed, but he also stated the furniture I was buying was not considered enough security since I was in service. He went on to state that the credit man's main interest in lending credit is to determine the borrower's ability and security to repay the loan.

While the manager admitted my ability to pay, he was worried about my security while repaying. What the credit manager failed to realize is that the serviceman's security to repay the loan is the greatest of all, namely—his job. For a serviceman who fails to repay a just loan is not merely subject to garnishment, but is also subject to a court-martial, a sure death warrant for the future in military or civilian life.

## Penalty for Non-Payment

Commissioned officers who fail to pay their debts would be subject to Article 134 "conduct unbecoming an officer and a gentleman," which includes dishonorable failure to pay debts. The penalty for this is dismissal which strips the officer of his rank, his veteran's privileges, and a future civilian position. The enlisted man (Private to Master Sergeant) can be tried under Article 133 "conduct of a nature to bring discredit upon the Armed Forces." The maximum penalty for this violation is dishonorable discharge and 6 month's enlisted confinement. The officer or career enlisted man cannot afford courts-martial. The only restrictions on these courts-martial is that a serviceman cannot be court-martialed "when there appears to be a genuine dispute as to the facts or the law" nor can "fines imposed be turned over to the debtor."

The serviceman therefore has an axe hanging over his head if he fails to pay. But your most important consideration is the serviceman's ability to pay.

A pay chart is contained in Volume I of the Marine Corps Manual (disbursing) and a copy can be ob-

tained by writing the Superintendent of Documents, Washington, D. C. Military documents can be obtained from that agency at a nominal cost.

Besides the pay chart there are nine items of information that you need to determine a serviceman's ability to pay. His identification card will provide you with his: (1) name, (2) rank, (3) service number, (4) service, and (5) card expiration date. The name, rank, service number, and service will allow you to locate the man by writing to the Secretary of the service involved. The card expiration date gives the man's service release date. If the card says "indefinite" you can ask for his release date, but it is certain to be at least six more months. The other information that you can ask of the man includes his present outfit, length of service, budget, and his present creditors. A phone call to the Adjutant or Personnel Officer of his present outfit will determine if the serviceman is a member of the outfit, plus verifying his service release date and length of service. By using the pay record and looking under the length of service with the corresponding rank, you can quickly determine the man's monthly salary. His ability to pay can be determined by deducting his outstanding debts and budget.

A special form for serviceman's credit containing these nine items of information would:

1. Eliminate present long and useless information forms, most of which information does not pertain to servicemen.
2. Speed clerical work in computing ability to pay.
3. Ease salesman's and debtor's patience.
4. Make your tracing and follow-up easier in case of default.

The possibility always exists that a man may default on his debt. This is especially true of the Private to Sergeant category. If the payments have ceased and constant letters to the man do not produce results, an unofficial letter to the man's Commanding Officer will result in his being called in to inform him of the debt and to gain his side of the story. A reply will be forthcoming, either satisfying the debt or explaining the contingent circumstances. If the reply is not satisfactory you can write the Secretary of the man's service

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FREDERICK L. FALATER is formerly a First Lieutenant in the United States Marine Corps Reserve. The opinions expressed in this article do not necessarily reflect the official view of the Department of Defense, the Navy Department, or the Commandant of the Marine Corps.

# Preplanning of District Conferences

VERNON E. RASMUSSEN

Treasurer, Evergreen Cemetery Company of Seattle, Seattle, Washington  
Director, National Retail Credit Association

MY REMARKS will be confined to general conference planning, which I feel should start two years before the conference, and what I consider typical timing and meetings required to adequately cover pre-conference planning in a general way. It is important in planning your district conference that the place of meeting be selected several years in advance. It should be a large city in the district, which will have adequate hotel facilities to take care of the estimated attendance. We recommend that a city reserve hotel space and submit a request to the district board for the conference to be held in their city two years ahead of the conference date, and on approval of the Board that it be announced at the annual business meeting of the conference.

In each district there are usually five or six large cities and one should extend an invitation for the conference every five or six years, usually in rotation geographically, so all parts of the district are covered periodically. Once in a while a bid from another city or resort may be included. However, we feel that a convention in a large city is preferable for smooth working and attendance. In following this procedure your conference city has ample time to make preparation for hotel reservations which must be made two years in advance in the larger cities to guarantee sufficient space and all members will know two years ahead where the next conference is to be held. As soon as the bid is accepted, the host city board of directors should appoint their general conference chairman so these preliminary reservations at the hotel can be confirmed. This also gives the conference city an opportunity to build up their financial reserve to take care of any eventualities that may occur in case of a deficit.

Your general conference chairman, soon after his appointment, should select a general exhibits chairman to contact business firms who will exhibit at your conference. The exhibitor is a good source of revenue and should not be overlooked. Many of the national firms budget their advertising expenses a year ahead,

forwarding a copy of the original contract. This becomes an official letter of indebtedness. Within a month you will receive a reply as to the action taken. If there is a genuine dispute as to the facts or the law, naturally only a civil suit will suffice.

One help in setting up and maintaining a good credit program is to hire a former serviceman experienced in credit. If you do not do this you may run into the type of problem where improper handling caused an agency to be officially barred from the service station.

The collection man involved began his look for the delinquent serviceman by talking to anyone in uni-

form on the station. Naturally he received many conflicting ideas and directions. It took him three hours to locate the correct organization and then two more hours waiting for the Commanding Officer. The man was called in and he began to harass the debtor. The net result was that the Commanding Officer asked the collection man to leave. Future help was not given to this man or his company.

A man experienced in service structure and organization could have neatly solved the problem in one hour. He would have called the Commanding Officer for an appointment explaining his problem and requesting an interview with the debt-

therefore you must get your bid in early if you want to have success.

It should be a must for incoming officers of your local association to attend the district conference prior to theirs and carefully study the workings of the convention so they will be familiar with all phases of a conference. The initial planning committee for the conference should be your appointed general conference chairman and the officers of the association; plus a member of the Credit Women's Breakfast Club and the Credit Bureau if not already represented on the Board. They should meet for discussion as soon as possible after the culmination of the prior district conference so that items of importance will be fresh in their minds. It is recommended that a loose-leaf notebook be kept from year to year by the committee for noting changes that will result in conference improvements.

If your conference is held in the spring, say May for example, active planning should start in September prior to conference date and dinner meetings should be held monthly thereafter.

## MEETING 1: IN SEPTEMBER

All other committee chairmen should be appointed by the general conference chairman, keeping in mind beside your board, past presidents and those who have served on previous conference committees. Their ideas will be invaluable, but do not overlook new officers and those coming up through the ranks, for new ideas. It is imperative that those selected be workers. Drones are not desirable on any conference committee. Chairmen must be conscientious and reliable. At this first meeting select a theme for your conference which will be apropos for current credit or business trends, and which you will be able to use on your stationery and for publicity purposes. Besides the theme, stationery should include conference dates, place, committee chairman and be printed right after your first meeting to be used

(Turn to "Conferences" page 24.)

or. At the interview, stress would have been placed on helping the debtor to retain his good credit record. With this approach the Commanding Officer would have been more than happy to help out.

A sincere credit policy founded upon the realization of the serviceman's problems, a short credit form suiting his needs, and an experienced credit man to follow up will certainly increase your business. But over and above that, credit executives will be helping a class who are sometimes ignored and forgotten, despite the fact that they give you the most precious credit commodity of all—security through the daily defense of our homeland. ★★

# What Is the Most Important Credit Problem?

There are many credit problems for management in 1958. In thinking it over, it occurs to me that no matter what the problem, it must be solved directly or indirectly by people. The major difference between stores of today is the way people are treated. "Sell the store to customers . . . then sell the merchandise." As one example, The Store's Credit Policy. Credit should be extended and tailor-made to the needs of the individual customer. People should be treated as individuals and not as groups. This is not any urging to imprudent extension of credit—but, the changes in our economy, which emphasize the need for a rapid upsurge in our overall standard of living, point also to the need for taking a new look at the opportunities for consumer credit, to aid the expansion of living standards and consumer markets. The importance of consumer credit as a selling force to bring about these necessary changes in 1958, can hardly be overemphasized. Watch the credit picture. It is as changeable as the weather and requires constant observation. The credit sales executive today must concern himself with increased sales as well as with terms and collections. One thing is certain—consumer credit has become such an integral part of the American way of life that it is bound to keep on growing. It is important that top management and credit management keep alert to this fact. Also, that we not be "too content" and that we never sit back and relax, but push toward a goal of a profitable credit sales volume during 1958.—Dean Ashby, Credit Sales Manager, The Fair, Fort Worth, Texas.

★ ★ ★

I believe the most important problem for the credit executive in 1958 will be to help his firm get its share of the consumer dollar. This can be accomplished by continuing to aggressively promote the sound use of present credit facilities and by being alert to any changing needs of the consumers in his particular area.—William A. Benson, Credit Sales Manager, Schuneman's, St. Paul, Minnesota.

★ ★ ★

For many people, the most important retail problem in 1958, may well be one of mental adjustment. The sustained record of business gains over a period of years has led some to assume that economic progress is inevitable. As a consequence, not the average of a period of years but the most recent high gain becomes the guide for anticipating the new year. This in turn leads to heavy withdrawals and expenditures which anticipate profits. The ensuing year 1958 promises neither a "boom" nor a "bust," but may well be a good year, if businessmen adjust their mental outlook and govern their inventories, withdrawals and expenditures wisely.—L. A. Brumbaugh, Assistant Vice-President, Valley National Bank, Phoenix, Arizona.

★ ★ ★

Public relations, in my opinion, will always be foremost in credit departments of all types of business. Credit policies are in the competitive and flexible stages, which bring to mind the need of great diplomacy in rejecting requests for credit in any form. All credit personnel are faced with the necessity of turning down applicants, whether it is in retail, or installment credit or personal loans. This requires diplomacy and keeping in mind we wish to keep the friendship of these customers. In a few months we may be able to help him as well as his neighbors, friends, and members of his family. We speak of the importance of public relations in reference to our customers. What about public relations within the company? A happy staff member is the best advertisement and representative. Extensive advertising programs can be utterly useless if the proper courtesy and efficiency is not extended by the firm's representative. It is my personal

opinion that staff members who feel a strong part of the organization and who feel the company has respect and appreciation for all genuine efforts to do a good job, will reflect this confidence and maintain business by proper treatment of customers.—Mary Cox, The Morris Plan, Indianapolis, Indiana.

★ ★ ★

With consumer credit being at an all-time high and still climbing and with the world situation growing more and more in restlessness with Russia's apparent lead in the missile and satellite race, the increasing clamor, on the part of certain factions, for consumer credit controls at the consumer level is becoming more and more noticeable. With this in mind, it seems to me that the biggest problem in retail credit for 1958 will be for the credit bureau industry and the consumer credit granting industry to face up to the fact that now, as never before, is the time they should promote every consumer credit education program possible and keep ahead of these pressure groups crying for credit controls by fostering sound and ethical practices in the extension and the collection of consumer credit accounts. It is quite evident that, if good consumer credit education programs are vigorously carried out by the credit fraternity, the net results achieved will make this clamoring for government credit controls very shallow.—Frank K. Edmonds, Manager, Credit Bureau of Johnson City, Johnson City, Tennessee.

★ ★ ★

In my opinion, credit sales managers in 1958 will be confronted with two problems that will tax the ingenuity of most of them and will require them to do a most outstanding job. Undoubtedly most credit men have already experienced a trend toward slowing up of collections due to an increase in unemployment in many areas, and reduced family income due in a large part to loss of overtime pay. In addition, competition for the consumer dollar is considerably greater. Downtown stores are finding it more difficult to make their figures and the influx of discount houses is opening up a new competitive field in many lines of merchandising. This loss of volume always has a tendency to make merchants want to extend terms in the hope that it will create a great sales potential and it will require credit managers to use all their experience and ability to meet these conditions. There is nothing, in my opinion, in the general economic condition of the country that should cause any real alarm but the fluid state in which we find ourselves at the moment will require watchfulness and care. Those who have the ability and the know-how to meet these conditions will come out all right but those who ignore them may find themselves faced with a slower turnover of accounts receivable and higher losses.—J. F. Eichelberger, Assistant Secretary, The Hecht Company, Baltimore, Maryland.

★ ★ ★

The most important retail credit problem that will confront us in 1958 can be summed up in one word, "control." New business in my opinion is not a problem. The potential is here and it will as always, go to those who aggressively seek it. Control, on the other hand is now, and will be, a paramount problem. Customer "over buying" or our own "over selling" creates the overloading of accounts and hence "control" problems. We as merchants are as guilty of over-selling as are our customers in over-buying. True, an aggressive selling force, alert buyers and good merchandising are the keys to profitable operation. Therefore the only safety valve to avoid the overloading problem is an alert credit department. The credit department has at their disposal the tools to adequately cope with this problem, namely, prompt posting of purchases, intelligent authorizing of charges, prompt regular

# Credit Problem for 1958?

The Current Trend  
Of Credit Thought

follow-up on delinquencies. I believe that the solving of this problem can, and will be, the opportunity to form a better, more efficient credit operation.—William R. Ellis, Credit Sales Manager, Newman's, Enid, Oklahoma.

★ ★ ★

The three most important credit problems for 1958 are: One—the need to keep each credit customer within his economic status, thereby maintaining for him a satisfactory credit record and retaining for your firm his goodwill. In recent months far too many of the credit reports which we have secured have revealed overborrowing from banks and small loan companies. Generally, this is a definite sign of financial distress brought on by over-buying. No doubt much of this overbuying has been caused by the constant advertising of "no down payment—long easy terms" and the failure of credit granters to secure up-to-date reports and to evaluate properly the credit information. Two—the need for closer cooperation between credit granters and the credit bureau to the extent that a systematic channeling of credit information—both good and bad—will be assured. Prompt filing of such accurate information will give the inquirer a better picture of the applicant's present financial status including his paying habits and his outstanding obligations. Three—the need to maintain an aggressive collection policy, particularly on open accounts. Customers charging on open account basis should be required to pay within the time limit or be transferred to revolving credit or other appropriate type of credit. It is wholly unfair to permit open account customers to "ride" you for as long as six months when other customers are required to pay a monthly service charge.—Fred P. Entler, Secretary-Treasurer, Charg-It, Inc., Bristol, Virginia.

★ ★ ★

The American buying public has been thoroughly indoctrinated with instalment credit through the use of long term contracts on furniture and appliances and revolving credit plans on soft goods. The customer has lost all perspective of the balance that should exist between assets and liabilities. The 30-day charge account has been played down to such an extent that the average American thinks only in terms of time payments when making purchases on credit. To those of us in the credit sales division who are responsible for these conditions the problem is one of balance. It is our task to continue to sell merchandise yet at the same time help maintain the necessary margin between the buying public's assets and liabilities. This is our problem and our obligation to our customers and to our firms.—Edward Falk, Credit Sales Manager, Newman's, Joplin, Missouri.

★ ★ ★

Crystal ball gazing is not one of my arts. Barring some unforeseen world conflict, it seems to me that our credit and collection problems will be pretty much the same in 1958 as they were in 1957. Many department store owners have told me there are too many prophets and not enough profits. Therefore, our problem is to put forth an extra effort to sell more credit in 1958, on a sound credit basis and collect accounts according to terms without increasing expenses, if such is possible.—E. L. Goodman, Manager Credit Sales, Burger-Phillips, Birmingham, Alabama.

★ ★ ★

One of the credit situations, in my opinion, which is developing slowly but should again increase in 1958 is the drift toward strictly cash stores. The conditions are not unlike what is happening, at least in this area, with the drugstores. Instead of specializing in what folks had generally in mind of a drugstore, they have become small department stores,

with drugs often relegated to a small section in the back of the store. Now we are finding many exclusive prescription pharmacies that handle only drugs. A lot of folks are getting the idea that they are paying for the bad debts of others. The multiplication of schemes to employ credit to get people to buy seems to have no end. Right now, December 5, 1957, we have stores advertising nothing down, pay March 15, 1958. Again, the alarming increase in this area of bankruptcy filings has not gone unnoticed by the prompt 30-day paying customer. An indication of what I have in mind is the recent purchase by the Idaho Department Stores of the former A. M. Williams Department Store in Eugene, Oregon, which has been opened as a cash department store. I was told the volume at cash was very satisfactory. Probably one of the first indications of this trend comes in the advertising of the cash price for an article. We have one of our pioneer supermarkets advertising "you pay only 10 per cent above wholesale price" which is only another effort to get the cash and avoid paying for the other fellow's bad debts.—E. G. Harlan, Partner, Riley's, Boise, Idaho.

★ ★ ★

There must be a return to intelligent credit approval. In recent years management has had a tendency to encourage "loose" credit extension in the belief that volume takes care of everything. Liberal credit extension may be safe in a rising economy. Already there are signs of an "adjustment." Overbuying and the increasing number of repossessions and bankruptcies are signposts warning that future credit must be extended on the basis of sound credit fundamentals if losses are to be kept on a satisfactory basis, and our economy on an even keel. "Revolving" credit is due for an overhauling and 1958 may be the year to do the job.—Fred S. Krieger, Manager, Credit Bureau of Milwaukee, Milwaukee, Wisconsin.

★ ★ ★

With every indication of a continued "leveling off" period through early 1958, at least, the credit department must be more and more sales-minded. Our main problem will be how to help maintain a high sales volume without jeopardizing our basic good credit standards. We must have a very good reason for saying "no" to a customer, which will require us to evaluate more carefully every credit application and report. Closer cooperation between sales managers and credit sales managers will be imperative. Each must understand the other's problems and work harmoniously for the good of both. We must be willing to accept collection problems as natural and normal, and expect some increase in them. Our credit losses need not increase percentage-wise, if we maintain a close follow-up program. Well-trained collection personnel will be a necessity and a wonderful asset to the credit sales department.—Mrs. Lillian Lawrence, Credit Manager, Gustke & Sons Furniture Company, Battle Creek, Michigan.

★ ★ ★

The accounts receivable ledgers of the leading firms in this area indicate that, at least in Imperial County, California, the most pressing problem for 1958, especially during the next six months, is not so much concerned with the extension of more credit but with the collection of accounts already on the books. The paying habits of many people indicate a slow down—those who were formerly prompt 30 days are now taking 60 days and those who paid in 60 days are now taking 90-120 days. The inventory of merchandise is up and the totals of the accounts receivable ledgers are up but the cash working capital in the hands of the merchants is dwindling.

The employment problem does not directly affect this particular area due to the fact that we are principally a

livestock and agriculture country and our employment is stable.—Pren L. Moore, Credit Bureau of Imperial County, El Centro, California.

★ ★ ★

The most important retail credit problems that will confront us in 1958 will be the extension of credit through new charge accounts and the control of limits on Revolving, Extended Payment, or Flexible Charge Accounts. Any business that will not promote new charge accounts is sowing seeds of failure. Promotion of new charge accounts and charge sales should be a year-around project, regardless of economic conditions. With the advent of the Revolving Account, Extended Payment Account, and Flexible Charge Account it is very easy for the customer to over-buy by extending the credit limit with promises of making the relative larger payments. We must remember however, that these accounts are discounting the customer's future six to ten months ahead. Within that period the ability of the customer to pay may change considerably and result in a collection problem—Ben Nathan, Credit Manager, The Model, Galveston, Texas.

★ ★ ★

With the rapid growth of the so-called revolving charge account, the resultant higher investment in each customer, the longer pay-out period provided, make it necessary that we seek for our credit clientele a stronger credit risk than just those who are riding the crest of the inflationary plateau we have been traveling. This means we need to know more about our charge account customers creditwise, requiring fuller investigation as to their background and their ability to manage and improve their financial stability over a period of time. To accomplish this, better trained personnel in our individual credit offices and credit bureaus should be the goal of management. Management should feel charged with the responsibility to establish systems that credit reporting be accomplished with the greatest amount of dispatch. Our customers refuse to believe, in this day of speed of 18,000 miles per hour by satellites, that to check local reports should average nearly a week and out-of-town reports two weeks.—Morton H. Sanger, Executive Vice-President, E. M. Kahn & Company, Dallas, Texas.

★ ★ ★

The year 1958 should be a "tune-up" one for the consumer credit machine, which has developed some squeaks, rattles and bucks as a result of hard driving during our high-speed economic boom. I look for a little more conservatism in opening accounts, authorizing and limiting credit, and more drive in making collections. All of which should help to keep credit extension sound and hold its position as

a dynamic force in retail distribution.—R. M. Severa, Executive Manager, Credit Bureau of Greater New York, Inc., New York, New York.

★ ★ ★

The credit profession is really facing a great challenge during 1958, the great potentialities in sales promotion through the Credit Department, the tight money situation, more people unemployed during 1958 and (according to publications) more people over-buying. All these are age-old and we hear them at the beginning of each new year; however our problems are going to be many, we must be more alert in granting credit and try to help our customers to prevent "over-buying." This conflicts with the credit sales promotion program and if we give the "green light" too much, then our collection departments are in hot water. As I see it, our greatest problem will be to try to set up a policy that will work harmoniously with our customer as well as with management.—Opal Wadley, President, Lone Star Council of Credit Women, Houston, Texas.

★ ★ ★

I shall take a page out of history and repeat a well-known quotation made almost a quarter of a century ago by the President of the United States, and I quote: "We have nothing to fear but fear itself." If we face up to the responsibilities of our profession and diligently pursue our daily tasks, then we should add additional credit volume. Collections should not materially decrease and bad debt losses should remain about the same. Our economy is sound despite the plaints of mourners who would regulate and socialize our free enterprise system.—Joseph A. White, Manager of Credit Sales, The Fair, Chicago, Illinois.

★ ★ ★

In my opinion the problem will be no different than in the past two years. The Manager of Credit Sales and members of every firm will have to double-exercise all efforts. Credit granting must be such that sales volume may be encouraged and maintained in the face of "The Red Light of Overloading." In every community thorough cooperation with a central credit bureau will be required. The time has come again when we must base all decisions on the character, capacity, and capital of each individual if we grant credit intelligently. A "factbility" credit report must be our guide. The real problem will be selecting suitable risks to keep volume and collections in line with management's approval and satisfaction and keep our firm out of the red.—J. H. Wise, Credit Manager, R. B. Broyles Company, Inc., Birmingham, Alabama.

(To be continued next month.)

## Text and Reference Books Published by the N. R. C. A.

Retail Credit Fundamentals, 390 pages	• . . . .	\$5.00
Retail Credit Management, 477 pages	• . . . .	5.00
Streamlined Letters, 497 pages	• . . . .	6.50
Important Steps in Retail Credit Operation, 76 pages	• . . . .	1.50
How to Write Good Credit Letters, 128 pages	• . . . .	2.25
Physicians and Dentists Credit and Collection Manual, 64 pages	• . . . .	2.00
Retail Collection Procedure and Effective Collection Letters, 80 pages	• . . . .	2.00
Retail Credit Sales Procedures and Letters, 80 pages	• . . . .	2.00

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

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# What's New in Books

**1957-1958 Credit Management Year Book** (Credit Management Division, National Retail Dry Goods Association, 100 West 31st Street, New York 1, New York, 244 pages, \$6.50 to members of the National Retail Credit Association.) This Year Book gives workable solutions to credit problems, and shows step-by-step directions for fully utilizing the newest operating techniques and credit plans. In addition, nationwide statistics are included showing how your department compares with other stores. Contents of the book include: promoting credit sales; increasing collection turnover; new credit plans and concepts; forecasting and reporting techniques; leadership development; use of consumer credit; automation in the credit department; smaller stores; branch store operations; working with the credit bureau; and customer identification. This is an excellent book for credit executives, store heads, controllers, sales managers, and collectors.



**So You're Going to Run a Convention** (Padgett Printing and Lithographing Company, 5912 Harry Hines Blvd., Dallas, Texas, 94 pages, \$2.18.) Planning and staging conferences is an occupational disease few Association executives can escape contracting. Therefore, we are all interested in new ideas and techniques to use in planning our own conventions. This little book is worthy of being read and added to the library. The author, Jack R. Morris, had had some 25 years' experience in planning and operating sales conventions for life insurance companies. The book is intended to be a guide to others in that industry but his ideas and suggestions are just as applicable to the conduct of all other kinds of conventions.



**How to Get What You Want Out of Life** (Prentice-Hall, 70 Fifth Avenue, New York 11, New York, 224 pages, \$4.95.) Here is an entirely different kind of book. It shows you how and when to take each step in a clearly-defined program that will enable you to get the things in life you really want. By following simple directions, you see precisely what to do to "get out of the rut" of ordinary living, how to manage that all-important first step to a more interesting and creative life, and how to use the three keys to growth and achievement. The author, Dr. William J. Reilly, founder and director of the National Institute for Straight Thinking has guided hundreds of individuals to happier and more successful futures. In addition to his business consulting work, he has written many magazine articles, booklets and books.



**Standard Code of Parliamentary Procedure** (McGraw-Hill Book Company, 330 West 42nd Street, New York 18, New York, 293 pages, \$3.00.) Here at last is a handbook of parliamentary procedure that is completely modern, comprehensive, authoritative, and easy to use. In the most simple and logical manner it presents all the rules of modern parliamentary laws for all organizations, clubs, civic groups and governing bodies. The author,

Alice F. Sturgis, is well qualified to write on parliamentary procedure, having made a lifelong study of the subject, with special work at Stanford University and in Paris.



**Accounts Receivable Financing as a Method of Business Finance** (Commercial Credit Company, Educational Division, 300 St. Paul Place, Baltimore 2, Maryland, 65 pages, free.) This book is the second in a series of studies in the field of commercial financing being made by Dr. Clyde W. Phelps with the aid of a grant from Commercial Credit Company, one of the largest finance companies in the United States. Accounts receivable financing provided by finance companies to American manufacturers, wholesalers, and other business firms has increased in annual volume more than ten-fold since World War II. This book is the only up-to-date extended treatment devoted exclusively to this method of business finance.



**The Changing Competitive Position of Department Stores in the United States by Merchandise Lines** (University of Pittsburgh Press, Pittsburgh 13, Pennsylvania, 200 pages, \$5.95.) The book, by Dr. Robert D. Entenberg, seeks to improve the role of retail distribution by furnishing management with new criteria enhancing their merchandising effectiveness. This study represents a significant addition to the existing fund of knowledge concerning consumer expenditure patterns and underlying factors, both external and internal, prompting either downtown or geographical expansion. While this study is primarily concerned with department stores, the information developed should assist all retailers in achieving a better utilization of the resources on hand.



**Activities and Services of Federal Government in Distribution Research** (Government Printing Office, Washington 25, D.C., 64 pages, 40 cents.) This book is a summary of activities, services and publications of the Federal Government which are useful to business in distribution research published by the United States Department of Commerce. It is a supplement to a discussion of the subject presented at the President's Conference on Technical and Distribution Research for the Benefit of Small Business, recently held in Washington. Copies may also be purchased from your local field office of the Department of Commerce.

## ANALYZE HANDWRITING

### STOP CREDIT LOSSES

Credit executives use grapho analysis to cut down credit losses. Charles Martin, District Credit Manager for International Harvester, has used grapho analysis for years. Mr. Matheson, lumber company executive, selects his help by analyzing handwriting. Free lesson, full details sent without obligation. State your age on personal or company letterhead. All replies personal.



IGAS, Inc., Dept. 1008, 2307 National Station  
Springfield, Missouri

# CREDIT FLASHERS

## John A. (Jack) Gross

John A. (Jack) Gross, 69, died November 9, 1957, in the Good Samaritan Hospital, Los Angeles, California. He had entered the hospital the day before, and death was attributed to complications following a virus infection.

On April 15, 1955, he relinquished his duties as General Manager of the Retail Merchants Credit Association of Los Angeles. Born in Lincoln, Nebraska, Mr. Gross had been associated with retail credit work for the past 45 years. While in his teens he sold hats at Cottrell's, Denver, Colorado, and later worked at a cigar counter. While there he met a retired special agent for a railroad who induced him to become a special agent on confidential matters. This work took him to Los Angeles and he liked the city on first sight. He was engaged by a private collection specialist and was an immediate success. At that time the city had a struggling retail dry goods association. The late John G. Bullock admired Mr. Gross for his energy and foresight and urged him to reorganize the association. The now flourishing bureau, cooperatively owned by the merchants, has over four million files and 10 per cent of these files are revised each year. The Stores Protective Association, which also was under the direction of Mr. Gross, is regarded as a leader of its kind.

He had been a director for several years of the Associated Credit Bureaus of America. He was a past president of the Associated Credit Bureaus of California and in 1954 he was honored for his services to that district. He had been a loyal member of the National Retail Credit Association and upon his retirement in 1955 was made an honorary life member. Since that time he was the head of J. A. Gross Associates, an organization specializing in personnel investigations for industrial firms. He had been active in many state and civic organizations and was a sponsor of the Olympic Games staged in Los Angeles in 1932.

Mr. Gross is survived by his widow, Tess, and two daughters to whom we extend our deepest sympathy.  
—L. S. Crowder.

## Attention District, State and Local Associations

Our new slide series, "The National Retail Credit Association—Its History and Services," is now completed and ready for showing.

It will be loaned without charge to all interested groups. Viewing time and comments, in mimeographed form, will take approximately 25 minutes. Limited number available.

**NATIONAL RETAIL CREDIT ASSOCIATION**  
375 Jackson Ave. St. Louis 5, Missouri

## Coming District Meetings

**District One** (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Provinces of Quebec, New Brunswick, Nova Scotia, and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swansboro, Massachusetts, May 18, 19, and 20, 1958.

**District Two** (New York and New Jersey) and **District Twelve** (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia) will hold a joint annual meeting at the Hotel Biltmore, New York, New York, February 9, 10, and 11, 1958.

**District Three** (Florida, Georgia, North Carolina, and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi, and Tennessee) will hold a joint annual meeting in Knoxville, Tennessee, April 13, 14, 15, and 16, 1958.

**District Five** (Kentucky, Michigan, Ohio, Ontario, Canada, Illinois, Indiana, and Wisconsin, except Superior) will hold its annual meeting at the Hotels Oliver and LaSalle, South Bend, Indiana, February 16, 17, and 18, 1958.

**District Six** (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, and Manitoba, Canada) will hold its annual meeting at the Royal Alexandra Hotel, Winnipeg, Manitoba, Canada, May 4, 5, 6, and 7, 1958.

**District Seven** (Arkansas, Kansas, Missouri, and Oklahoma) will hold its annual meeting at the Marion Hotel, Little Rock, Arkansas, March 15, 16, and 17, 1958.

**District Eight** (Texas) will hold its annual meeting in Brownsville, Texas, April 12, 13, 14, and 15, 1958.

**District Nine** (Colorado, New Mexico, Utah, and Wyoming) will hold its annual meeting at the Hotel Colorado, Glenwood Springs, Colorado, May 16, 17, and 18, 1958.

**District Ten** (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting in Portland, Oregon, May 17, 18, 19, and 20, 1958.

**District Eleven** (Arizona, California, Nevada, and Hawaii) will hold its annual meeting in conjunction with the 44th Annual International Consumer Credit Conference, Hotel Statler, Los Angeles, California, July 13, 14, 15, and 16, 1958.

## W. D. Woolley

W. D. Woolley died shortly after midnight on November 19, 1957, in Tulsa, Oklahoma. He had operated the Adjustment Department of the Retail Merchants Association of Tulsa for more than 20 years. His associates have always been aware of his unselfish devotion to the tasks of his chosen profession, his sense of fairness in the decisions he was called upon to make, and his desire to maintain always the confidence of everyone. He will be missed by the employees of the Adjustment Department and the Credit Bureau of Tulsa and also by his many friends all over the country.

## Department Store Credit for October

INSTALMENT ACCOUNTS outstanding at department stores increased slightly in October, when some rise is usual, and at the end of the month were 4 per cent above a year earlier. Collections during October amounted to 15 per cent of accounts receivable at the beginning of the month, the same as for a month ago and a year ago. Charge accounts receivable also increased in October, and continued above the year-ago level. The October collection ratio, 47 per cent, was 1 point higher than in September but the same as a year ago. Total sales at reporting department stores were up 9 per cent from September to October, reflecting moderate increases in both cash and credit sales. Except for instalment sales, however, sales volume was somewhat less than a year earlier.—Federal Reserve Board.

## Annual CMD Meeting at Philadelphia

The 25th Anniversary Conference of the Credit Management Division of the National Retail Dry Goods Association will be held at the Bellevue Stratford Hotel, Philadelphia, Pennsylvania, April 21-24, 1958. R. H. Bulte, credit sales manager, Stix, Baer & Fuller, St. Louis, Missouri, and Chairman of the Credit Management Division has appointed R. M. Grinager, credit manager, J. L. Hudson Company, Detroit, Michigan, and first vice chairman of the CMD as General Conference Chairman.

## District Four Announces Scott Award

Indicative of the increasing interest in the Scott Award is the decision recently made by the Board of Directors of District Four. It is announced that a special award of \$100 will be made to the winning entry for the Scott Award in that District. This award will be made to the District winner regardless of whether the entrant is successful or not in the National contest.

This decision should create added incentive to contestants in the Fourth District and stimulate enthusiasm and interest.

All members are reminded that the Scott Award is a cash award of \$500.00 given each year to the individual who has made the most outstanding and significant contribution to retail credit. The 1958 award will be present-

ed by Mr. Scott personally at the 44th Annual International Consumer Credit Conference to be held in Los Angeles, California, July 13-16, 1958. Full details of the terms of the Scott Award appear on pages 16 and 17 of the October 1957 CREDIT WORLD.

## Springfield Organizes Medical Unit

A council with representatives from the hospitals, medical and dental professions has been chosen by mail ballot to administer the newly-formed Medical Credit Division of the Credit Bureau of Greater Springfield, Springfield, Massachusetts. According to George B. Allan, Secretary-Treasurer, Credit Bureau of Greater Springfield, the council will meet soon to elect officers and to draft bylaws and decide its policies and activities. The function of the council will be two-fold: to conduct a public relations campaign to encourage the prompt payment of medical, dental and hospital bills; and to offer educational services for clerical and secretarial personnel in credit management. The council is patterned after other medical credit divisions that have been organized throughout the country under the supervision of the Associated Credit Bureaus of America.

## H. M. McDonald in New Position

H. M. McDonald has been named general credit manager of the marketing division for Cities Service Oil Company with headquarters in Chicago, Illinois. Formerly credit manager of the Kansas City marketing division of the company in Kansas City, Missouri, he joined Cities Service in 1925 and has progressed through all levels of credit management. He is an active member of many credit associations. He was formerly president of the Retail Credit Association of Kansas City and has served as a director for more than 20 years. He is also past president of the Kansas City Wholesale Credit Association and the Contractors Credit Bureau. He is a charter member of the American Petroleum Credit Association and served on the Board of Governors of the Petroleum Refineries Division of the National Association of Credit Men. Samuel D. Scorza has been named credit manager of the Kansas City regional marketing division of the company.

## Supplies Available from National Office

Age Analysis Blanks . . . . .	\$ 9.50
Credit Application Blanks . . . . .	8.50
Good Things of Life on Credit (Educational Booklet) . . . . .	18.00
Stickers and Inserts . . . . .	4.00
Soldiers' and Sailors' Civil Relief Act (Booklet) . . . . .	.75 each
CREDIT WORLD Binders . . . . .	3.50 each
N.R.C.A. Electros . . . . .	.75 each
N.R.C.A. Membership Signs . . . . .	1.00 each
Pay Promptly Advertising Campaign (18 mats) . . . . .	3.00 each

\* \* \* \* \*

**NATIONAL RETAIL CREDIT ASSOCIATION**  
375 JACKSON AVENUE ST. LOUIS 5, MISSOURI

# CREDIT DEPARTMENT

## Letters

### LEONARD BERRY

**C**REDIT CUSTOMERS are the most important asset of the modern retailer. It is the wise merchant who recognizes this and who gives priority to development of comprehensive and vigorous credit sales promotion programs.

The word *customer* means one who is accustomed to buying at a particular store. Credit fosters this feeling of "belonging" and results in the fact that one credit customer is worth four cash customers.

Right now, at the beginning of a new year, retail credit sales executives should sit down with top management officials and set forth a credit sales promotion plan for 1958 which will have as its objective an increase in the number of names on the books and also of sales to those people.

The consumer holds the key to the economic health of the nation. It is important that the demand for goods be stimulated and consumers encouraged to use their purchasing potential. Convenient, dignified and pleasant credit plans do facilitate immediate sales. When sales are made, the beneficial effects are felt all along the line from the primary producer through all parts of our complex economy.

Credit services now being offered by the store should be reviewed to find out if they are geared to the credit needs of customers. Perhaps a new and more realistic credit plan will attract greater customer acceptance. This might involve study of the many types of extended credit now being successfully used by other stores. Finding out what customers want and then giving them that, is an axiom of merchandising. Perhaps we should do that in the credit sales department by research and inquiry. It could be a revealing process!

Serious thought should be given to developing the large potential market represented by young people arriving at the age of independent buying. Here is where the credit sales promotion dollar can most profitably be spent. Experience shows that young people, when carefully educated as to the necessity for respect for credit obligations, turn out to be loyal and steady customers. Payment performance of these young people is at least as satisfactory as with any other group and often far better. When made to feel at home in a store and treated with dignity and consideration, they will prove to be excellent buyers and equally excellent boosters for the store amongst their friends.

Newspaper advertising for new credit customers has been shown to rank high on the list of credit sales procedures. Definite allocations of such space should be granted to the credit executive. He will be able to suggest appropriate tie-ins with current merchandise offerings so as to use the space to maximum advantage.

The entire credit sales promotion procedure should be given close analysis. Are the letters used, for example, couched in *selling language*? Are the advantages of having established credit completely explained? Is it made easy for the prospect to respond to the invitation?

And, of course, while we are in the process of evaluation, let us take a close look at the credit office itself. Is it a warm, inviting sort of place . . . an environment where sales are encouraged? So many credit offices are dreary, grim and forbidding. Big possibilities exist for bettering public relations and increasing credit sales by improvement of the location and appearance of the credit office.

Credit customers are the most important asset of the modern retailer. Are you making the most of that asset?

### This Month's Illustrations



All our letter illustrations this month come from stores and firms in Sacramento, California, the city to which this issue of The CREDIT WORLD is dedicated. We are grateful for the many letter illustrations sent to us and we are sorry we can only show a few.

**Illustration No. 1.** Here is a letter of welcome to a new credit customer of W. P. Fuller & Co. The acknowledgement of a new credit account being opened is a golden opportunity to build good will and strengthen friendships. The designation of the account as a "credit sales account" is particularly good. We should seek every occasion to get that important word *sales* whenever possible into our letters and forms.

**Illustration No. 2.** Now, a letter of welcome to a new resident of Sacramento. Weinstock-Lubin and Company recognizes the fact that a large number of newcomers arrive in Sacramento every month. A warm, friendly letter such as this is an excellent credit sales promotion gesture. The newcomer is made to feel at home in the community and credit service is offered immediately at a time when probably most needed and appreciated.

**Illustration No. 3.** Tidewater Oil Company uses this collection letter which is commendably brief yet cordial in tone. Many firms find that printed notices or stickers are inexpensive and effective especially in the early stages of past-dueness. Debtors frequently have need to phone the store or firm when a collection reminder is received. That is why we recommend the inclusion of the telephone number in the letterhead.

**Illustration No. 4.** Another collection letter, this one from Roos Brothers. The addition of a service charge on past-due charge accounts is a growing and sound practice. In this case, the customer is told that unless payment is received within ten days a service charge of one and one-half per cent will be added each month on the outstanding balance until paid. Also, the customer is given the opportunity to convert her account to a Six Month Plan and a schedule of credit limits and monthly payments is provided. The days when a monthly charge account customer could take several months for payment without penalty are gone. Credit service beyond the usual grace period should in all fairness be subject to a service charge.

<p style="text-align: center;">    <b>W. P. FULLER &amp; CO.</b>          ESTABLISHED IN 1849          1725 10th STREET SACRAMENTO 2, CALIFORNIA          L. R. BROWN, Manager          November 21, 1957       </p>	<p style="text-align: center;">   <b>TIDEWATER OIL COMPANY</b>          324 WEST BROADWAY          SACRAMENTO 6, CALIFORNIA          November 20, 1957       </p>																				
<p>(1)</p> <p>Mr. &amp; Mrs. Joseph Public 4000 No. Ram Avenue Sacramento 72, California</p> <p>Dear Mr. &amp; Mrs. Public:</p> <p>It is a pleasure to greet you as a customer of W. P. Fuller &amp; Co. and thank you sincerely for this opportunity to serve you. For over one hundred years we have been welcoming new customers and making new friends. We look forward to counting you among them and to serving you with our best efforts.</p> <p>Our varied lines of quality merchandise place us in an excellent position to take care of your requirements promptly, and on a basis which will prove satisfactory and economical as well.</p> <p>Your credit sales account has been established and we hope you will avail yourself of its convenience regularly. Invoices are mailed a few days after material is purchased. These are followed at the end of the month by a statement which is sent for your convenience in verifying invoices for payment.</p> <p>Yours very truly,  <b>W. P. FULLER &amp; CO.</b>          Office Manager</p>																					
<p>(2)</p> <p>DOORS • WALLPAPER • MIRRORS • PIONEER WHITE LEAD</p> <p><b>WEINSTOCK-LUBIN AND COMPANY</b>          SACRAMENTO CALIFORNIA</p> <p>Welcome to Sacramento; we think you are going to like your new home here. It's been our favorite city for 83 years since 1874, when our doors first opened.</p> <p>Through these many years, it has been our pleasure to welcome countless newcomers to this area; and now, to you, we extend a most cordial invitation to visit us at W-L. Here, under one roof, you will find a complete selection of the finest brands in America, in fact, everything you'd expect to find in the store that prides itself on being known as Sacramento's finest.</p> <p>As a welcoming gesture, we have opened a "Courtesy Charge Account" that you may use immediately. Upon the return of the enclosed credit application, we shall be pleased to open a regular thirty day account in your name. Also, we are able to offer you extended credit under our popular revolving Charg-A-Matic Plan if you so desire.</p> <p>We think you'll find our store hours convenient too. On Mondays and Fridays, we are open from 9:30 a.m. to 9:00 p.m., other days, 9:30 a.m. until 5:45 p.m. You'll find nearby parking in our own lots located just a few steps from our doors.</p> <p>In a letter so brief it would be impossible to list for you the many services we are able to offer. Why not come downtown at your first opportunity and see first hand why we think you will find WEINSTOCK-LUBIN AND COMPANY your best place to shop.</p> <p>Very truly yours,</p> <p><b>WEINSTOCK-LUBIN AND COMPANY</b>          R. M. Wylie, Credit Manager</p>																					
<p>(3)</p> <p>Mr. Flying A Customer 123 First Street Sacramento, California</p> <p>Dear Mr. Customer:</p> <p>Our terms contemplate payment within fifteen (15) days following the date appearing on the statement.</p> <p>We shall appreciate reasonable compliance with those terms.</p> <p>If you are in need of additional details pertaining to your account, please let us know. We would welcome any opportunity to assist you.</p> <p>Sincerely,</p> <p>District Credit Department</p>																					
<p>(4)</p> <p></p> <p><b>Ross Bros.</b> OUTFITTERS TO MEN, WOMEN AND CHILDREN          100 K STREET, SACRAMENTO 14          Telephone HOBson 4-1001</p> <p>Payment of your 30-60-90 day charge account has not been made according to terms arranged. At this time, a payment is over sixty (60) days past due. Under the circumstances, immediate payment of the entire balance now due is requested.</p> <p>Unless your delinquent balance is cleared within ten (10) days, a service charge of one and one half percent (<math>1\frac{1}{2}\%</math>) will be charged on the outstanding balance each month until the account is paid.</p> <p>Won't you send your payment today?</p> <p>Sincerely,</p> <p><b>CREDIT MANAGER</b></p> <p>Fast due amount: \$ _____    For purchases made during _____</p> <p>P.S. If you would prefer an account that allows you longer credit terms, we have a Six Month charge account providing for the payment of all purchases over a six (6) month period. There is a 1% service charge on the outstanding balance each month.</p> <p>To convert your account to the Six Month Plan, just check the amount below you will pay each month, sign your name and return this letter to us in the enclosed envelope.</p> <table border="1" style="margin-left: auto; margin-right: auto; width: fit-content; border-collapse: collapse;"> <tr> <td>LIMIT</td> <td>\$100</td> <td>\$200</td> <td>\$300</td> <td>\$400</td> <td>\$500</td> <td>\$600</td> <td>\$700</td> <td>\$800</td> <td>\$900</td> </tr> <tr> <td>MONTHLY PAYMENT</td> <td>\$10</td> <td>\$20</td> <td>\$30</td> <td>\$40</td> <td>\$50</td> <td>\$60</td> <td>\$70</td> <td>\$80</td> <td>\$90</td> </tr> </table> <p>Signature _____</p> <p>STORES: SAN FRANCISCO • OAKLAND • FREMONT • SAN JOSE • BERKELEY • PALO ALTO • SACRAMENTO    OFFICES: NEW YORK, 175 Fifth Avenue • EUROPEAN, 41 Rue Saint Honore, Paris</p>		LIMIT	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	MONTHLY PAYMENT	\$10	\$20	\$30	\$40	\$50	\$60	\$70	\$80	\$90
LIMIT	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900												
MONTHLY PAYMENT	\$10	\$20	\$30	\$40	\$50	\$60	\$70	\$80	\$90												

for publicity whenever possible. Special envelopes with a slogan are also desirable.

**MEETING 2: IN OCTOBER**

At your second meeting all the committee chairmen should be requested to prepare a budget outlining what they feel will be necessary for their committee expenses. You should also have a proposed budget submitted from the Credit Women's Breakfast Club if their financing is to be included in that of the credit association. Ordinarily the CSD and the Credit Bureaus handle their own program and make their own budget, but it should be a part of the overall picture as it is imperative that all work closely together and representatives of both groups should be at your meetings. At this meeting your general conference program is set up in the rough. It should be kept in mind that ample time be given for registrants to view the exhibits. Luncheon hours do not give enough time and an hour should be set aside for this purpose. This will prove most beneficial to the registrant and make a friend of the exhibitor who, after all, pays a fee to exhibit his wares, so give him your cooperation and an opportunity to do a job. It will pay.

To eliminate conflicts, set up your pre-conference board meetings a day earlier than the conference proper; and, it is also desirable to hold a combined pre-conference board meeting of the ACBofA and the N.R.C.A. to discuss mutual problems that evening. The post-conference board meetings should be held immediately after the conference is over. This gives the board members an opportunity to attend business and group sessions. Keep in mind at all times that overlapping of CSD, Credit Bureaus, Credit Women's Breakfast Club and Credit Association meetings should not occur; therefore, you must work closely with their representatives. Reservations for all dining room space, meeting rooms, ballrooms, and estimated number of parlor suites and rooms for delegates, etc. should be reconfirmed at the hotel at this time.

**MEETING 3: IN NOVEMBER**

The proposed budgets as set out by the various committee chairmen and groups will be handed in for discussion at this meeting. Firm commitments should be received from the hotel for meals, meeting rooms, public address system, etc. so your budget committee can work out the proper registration fee. After a figure has been arrived at, add another 50 or 75 cents to take care of any changes in cost which may arise from the time that the budget was set up until the actual payment of bills. As the budget is set up on an estimated attendance it cannot always be too accurate, but it will give you an opportunity to figure pretty close. It is better to have a little extra than to have to pay out of the local association treasury. Extra tickets for events, special features, luncheons, etc. when not included in registration fees should be figured at a higher price than the package conference registration. This will assist in selling full registrations and help to eliminate piecemeal participation of delegates. Other matters which should be discussed at this meeting are liability insurance, taxes, speakers and entertainment so that at your next meeting you will be in a position to have your conference program well formulated.

Invitations to participate in the conference should be

extended to all national dignitaries along with complimentary registration. Their participation is desirable if it can be arranged. Speakers of prominence should also be contacted to address the conference along the lines of the theme you have selected. Letters should go out to presidents of local associations throughout the districts requesting them to appoint on-to-conference chairmen to push registration and boost the conference. They in turn will work with the managers of the credit bureaus to secure as large an attendance as possible. They will be the clearing house for the local associations throughout the district and all publicity will be mailed to them for dissemination.

Group discussion leaders are always a problem, therefore by all means pick a chairman who has attended previous conferences and also select a co-chairman who will understand that he will be the chairman at the next year's conference. If this is done, you will have a continuity set up for future conferences where you will always have an experienced chairman. This will prove most beneficial in your group discussions and increase attendance at group meetings.

**MEETING 4: IN DECEMBER**

Pick out the flaws and generally discuss the program in full. Have registration cards printed to be ready for mailing in January to on-to-conference chairmen.

**MEETING 5: IN JANUARY**

In January your first publicity should go out stressing the theme of the conference and the dates, and another publicity letter written to the on-to-conference chairmen in the various cities of your district. In sending out publicity direct to the bureaus for mailing to members sufficient time should be allowed for delay in handling by secretaries of local units and the bureau managers.

Any proposed change in budget, speakers, or program arrangements should be completed at this meeting so that at your February meeting a complete program can be approved, including extracurricular activities.

**MEETING 6: IN FEBRUARY**

A second broadcast of publicity should go out giving an outline of the conference and the conference highlights, locally, districtwise and in The CREDIT WORLD. It is desirable that registration blanks be made a part of this publicity so they can be torn off and mailed back to the registration chairman. Always ask for the registration fee to be paid in advance and mailed with the registration. It will save a lot of work and trouble later. Also mail out registration cards direct to bureaus.

**MEETING 7: IN MARCH**

Set up all printing, badges, menus, programs, ribbons, etc. and send to the printer for proofs.

**MEETING 8: IN APRIL**

In April final publicity should be mailed throughout the district stressing highlights of the conference, both business and entertainment and a final letter mailed to all on-to-conference chairmen and bureau managers throughout the district. Newspaper publicity should now be started at the conference city, publicizing highlights of the forthcoming conference, and a mailing should be made to managers of local firms stressing the importance of their members attending the conference.

*Meetings*  
**ELECTIONS**

# NEWS ITEMS

*Personal and*  
**OTHERWISE**

## San Francisco Credit Managers Elect Travers

At the meeting of the Retail Credit Managers of San Francisco, San Francisco, California, held November 21, 1957, at the Elks Club, the following officers and directors were elected:

President, Philip F. Travers, Insurance Broker; Vice President, Marquette D. Anderson, First Western Bank and Trust Company; Treasurer, Charles J. Benson, The Credit Bureau of San Francisco; and Secretary, Charles W. Doran, The Credit Bureau of San Francisco. Directors: Charles C. Baker, The Morris Plan Company of California; Thomas J. Fahay, Union Oil Company of California; John R. Healy, Crocker Anglo National Bank; George L. Phelps, Standard Oil Company of California; and W. H. Willitts, Hales. Mr. Travers was, for 17 years, with McAlister Buick Company, and prior thereto was with Wells Fargo Bank and is now a General Insurance Broker. He has been active in the local Association affairs for over 20 years.



Philip F. Travers

## Training Program at Colorado

The School of Business of the University of Colorado is planning to inaugurate an annual Executive Training Program, June 15-27, 1958. It is planned that it will be a two year program, covering two weeks each summer. The total cost for instruction, room and board for the two year period will be \$1,000. Inquiries concerning the program should be sent to Robert S. Wasley, Director, Executive Development Program, School of Business, University of Colorado, Boulder, Colorado.

Last minute details will be taken care of at this meeting and all proofs of programs, etc. approved for printing so they will be in the hands of the committee at least two weeks before conference date to allow time for stuffing of envelopes with all material for the registrants. Final provision for registration desks, phones, etc. should be confirmed at this meeting.

## FINAL MEETING, NO. 9: IN MAY

A meeting should be held ten days before the final conference date to handle any last minute matters in the program such as head tables, etc. so that everything will run smoothly at the conference. All committee chairmen and members of their committee should be given final instructions and requested to be available at all times to follow through on their assignments. After the conference is concluded it is desirable to hold a post conference meeting of all chairmen who participated and make up a list of recommendations for improvements that can be forwarded to the next conference city and put in the looseleaf book for the next committee.

★★★

## New Honor for Edward Schreiber

Edward Schreiber, Past President of the Retail Credit Executives of Texas (District 8, N.R.C.A.) and winner of the 1956 Scott Award, was recently elected President of the Galveston Chamber of Commerce. Mr. Schreiber is co-owner of the Schreiber and Miller Furniture Company of that city. He has been active in the Galveston civic affairs for many years. He is past president of the Galveston Merchants Association, Galveston Kiwanis Club, and Congregation Beth Jacob. He is also a past lieutenant governor of the Texas-Oklahoma District of Kiwanis International. At present, he is chairman of the police department's civil service board and a member of the board of trustees of the El Mina Shrine Temple of Galveston. The National Retail Credit Association congratulates Mr. Schreiber on his new appointment.

## Annual Meeting at Charlotte

The Retail Credit Association of Charlotte, Charlotte, North Carolina, held its annual meeting November 20, 1957, with 104 in attendance. President L. G. Guthrie appointed T. A. Baugh, Jr., chairman of the affair and he presided at the head table. After a buffet supper he introduced the officers and guests and John A. Broom, Jr., President, District Three, N.R.C.A., who installed the new officers. In recognition of his work during the past year President Guthrie was presented with a personal engraved gavel as a gift in appreciation by the members. Henry C. Alexander, past president of the National Retail Credit Association then introduced L. S. Crowder, General Manager-Treasurer, N.R.C.A., who gave a few remarks concerning local and national activities of the association. Officers and directors installed were: President, Sam C. Stone, E. B. Stone Finance Company; First Vice President, C. W. York, J. B. Ivey and Company; Second Vice President, William M. Lee, Pritchard Paint and Glass Company; Third Vice President, Lucian G. Guthrie, Sr., Sterchic Bros. Stores; Secretary, Colleen Collette, Daniels Motor Company; and Treasurer, Mrs. Hazel Kirkpatrick, Charlotte, Eye, Ear and Throat Hospital. Directors: Myrtle Fink, A. Z. Price and Associates; Dewey D. Godfrey, Bank of Charlotte; Grover C. Ritchie, Citizens Bank; R. A. Raymer, Aetna Loan and Finance Company; Charles Dudley, Charlotte Merchants Association; and Earle M. Beatty, Bridges Furniture Company. Shown below is a picture taken at the meeting. Left to right, are: Sam C. Stone, L. G. Guthrie, John A. Broom, and L. S. Crowder.



# LOCAL ASSOCIATION Activities



## Rockford, Illinois

At the annual meeting of the Retail Credit Association of Rockford, Rockford, Illinois, the following officers and directors were elected: President, Richard A. Stewart, Smith Oil and Refining Company; Vice President, John R. Sims, Commercial Mortgage & Finance; Secretary, Lucia D'Angelo, Illinois National Bank; and Secretary, Flora Mienert, E & W Clothing House. Directors: Ralph Dyreson, Illinois National Bank; Velma Ray, Jackson-Keye; Wylis Andrew, Park State Bank; and Dorothy Keene, Comay's.

## Sioux City, Iowa

The newly elected officers and directors of the Sioux City Retail Credit Association, Sioux City, Iowa, are: President, Howard Wall, Edwards & Browne Coal Company; Vice President, W. K. Winchell, W. K. Winchell Furniture Company; Treasurer, Mrs. Elta Ebelheiser, Spalding Avery Lumber Company; and Secretary, Lawrence S. Slotsky, Sioux City Retail Credit Association. Directors: Kenneth Stiles, State Finance Company; Eleanor Stowell, Weatherwax Clothing; and Maurice Fisher, T. S. Martin Company.

## Schenectady, New York

The following officers and directors have been elected for the Retail Credit Association of Schenectady County, Schenectady, New York. Officers: President, Clifton A. N. Hill, Schenectady Trust Company; First Vice

President, Stewart Robbie, Household Finance Corporation; Second Vice President, Richard Robinson, Robinson Furniture Company; Secretary-Treasurer, Stannard M. Butler, Schenectady Savings Bank; and Assistant Secretary-Treasurer, Mrs. Bernice Boshart, Allen Appliances. Directors: Joseph J. Clair, Clair Adjustment Agency; Francis P. Dockendorf, The Carl Company; Mrs. Mary Coughlin, Credit Women's Breakfast Club; Marvin E. MacMillan, Mohawk National Bank; Mrs. Bessie A. Tearno, The Wallace Company; Burton V. Consaul, William Sherry Tire Company; Edward F. Dunleavy, Domestic Finance Corporation; and Arthur K. Carmel, Industrial Bank of Schenectady.

## McAlester, Oklahoma

At the organizational meeting of the Retail Credit Association of McAlester, McAlester, Oklahoma, the following officers and directors were elected: President, Tom Watson, J. O. Green Appliance Company; Vice President, Tom Woods, Anchor Loan Company; and Secretary-Treasurer, Leon Willis, Retail Merchants Association. Directors: Chester Born, Consolidated Gas Utilities Corporation; Glenn Webster, International Paper Company; Al Prucha, First National Bank; and Harold Harris, Harris Olds-Cadillac Company.

## Antioch, California

The 1958 officers and directors of the Diablo Valley Credit Grantors Association, Antioch, California, are: President, Hal Mayhew, Brentwood Truck Service; First Vice President, Mrs. Pauline Bothelo, Garrows; Second Vice President, Lou Bauman, Bank of America; Third Vice President, Lew Silvera, Silvera Lumber Company; Treasurer, Palmer Harwood, Antioch Fibreboard Credit Union; and Secretary, H. P. Perry, Credit Bureau of Antioch. Directors: Frank Dragon, Bank of America; M. Jensen, Jensen's Department Store; John Outzen, Sears Roebuck Company; Joseph Duarte, Duarte Tire Service; Edward Parents, Service Hardware Company; Elmer Davis, Davis Refining Company; Mrs. Helen Gandy, Montgomery-Ward; and Frank Gularte, Brentwood Electric Appliance Company.

## Pittsburgh, Pennsylvania

At the annual meeting of the Retail Credit Association of Pittsburgh, Pittsburgh, Pennsylvania, the following officers and directors were elected: President, W. C. Williams, Union Supply Company; First Vice President, S. Stone, May Stern; Second Vice President, J. R. Onorad, Potter Bank & Trust Company; Third Vice President, J. E. Dalmasse, Spear and Company; Treasurer, C. G. Kaessner, Kaufmann's; and Secretary, T. L. Ford, The Credit Bureau. Directors: A. G. McMahon, Boggs & Buhl; J. Rhodes, *Pittsburgh Post Gazette*; R. Wallace, Frank & Seder; and J. R. Woodward, Gulf Oil Company.

## Attention Please



SHOWN HERE, in actual size, is our newest sticker, printed in the National's colors, bronze blue on gold gummed paper.

THE NATIONAL'S slogan, "Guard Your Credit as a Sacred Trust," is effective as an educational message. Designed as an all purpose sticker, it may be used:

- When affixed to the customer's statement it acts as a collection aid.
- When used on credit department correspondence it carries prestige of N.R.C.A. membership.

Price, \$4.00 per thousand

**NATIONAL RETAIL CREDIT ASSOCIATION**

375 Jackson Ave.

St. Louis 5, Missouri



## Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

**Senator Byrd of Virginia Sets Tone for New Congress Session**—more money for the military and less money for domestic purposes! In an address before the National Association of Manufacturers, Senator Byrd declared that "we are now actually engaged in the most colossal struggle in world history," noting that General Doolittle testified before the Senate Armed Services Preparedness Subcommittee that it might last 100 years. "We cannot have military supremacy, our form of free government or our way of life without fiscal and economic stability," he warned.

Long address deals throughout with appropriations policy in light of the present situation. The following selections, each of which it is believed may stand alone without reference to other portions of the context, represent the central theme of the outspoken address:

"If the missile crisis forces us to spend more in one direction, we must find ways to spend less in other directions. The Communist view that we can be made to destroy ourselves fiscally and economically stands more clearly before us than ever before. We must not and shall not allow ourselves to be enslaved by our own extravagances."

"It is certain that our military expenditures will be increased in rocketry and ballistic missile fields. How shall we meet the requirement? Shall we resort again to deficit financing, with increased debt, and set off another seige of volatile inflation? Shall we increase taxes? Or, shall we wipe out the nonessential and obsolete activities in the military and all down the line of government spending?"

"Certainly, neither our total governmental expenditures nor our total taxes can be further increased without weakening our economy in inflation, and by dangerously stimulating deterrents to increased national production."

"Since 1954 we have increased domestic-civilian expenditures 50 per cent, from \$19 billion to \$29 billion. . . There are more than 500 expenditures accounts in the federal budget for strictly domestic programs and activities. You and I know reductions can and should be made in every one of them."

Senator Byrd complimented the National Association of Manufacturers on its "tremendous job last year as a part of the grass roots demand for a reduction in appropriations. The appropriations reductions were unprecedented. Unfortunately the Administration did not reduce expenditures in the same proportion. . . I urge continuation of this intelligent and effective campaign. . . An economical Federal Government is now much more important than ever before in history."

**Bankers Note Rise in Credit Problems**—The Installment Credit Commission of the American Bankers Association in its quarterly report for the period ended Oct. 31 noted an increase in collection problems and a

rise in automobile repossessions. Another disturbing development, according to the ABA Commission, is the increase in fraudulent activities on both retail and wholesale dealer credits. These fraud losses, the group commented, "go hand in hand with the lag in sales and heavy inventories."

**Further Study of Trading Stamp Plans**—The Senate Small Business Committee reports that the Federal Trade Commission has informed Senator Humphrey, Chairman of the Subcommittee on Retailing, Distribution and Fair Trade Practices, that the Commission has directed its staff to give further study to the question of whether or not there are "illegal practices in connection with the sale, distribution and use of the various trading stamp plans. . . ." The report states: "Specifically, the study will involve a fresh look at the complaints which originally touched off the Commission's investigation, including allegations of false and misleading representations and other deceptions, price discriminations, exclusive dealing, loans to customers, refusal to sell and boycott, and conspiracy." The Trade Commission previously had found that the use of trading stamps *per se* is not an inherently unfair method of competition. See The CREDIT WORLD for November, 1957, page 30.

**Special Credit Facilities for Small Firms**—The House Small Business Committee which recently concluded hearings on financing problems of small business announced that it is preparing two bills to "bolster lagging segments" of the economy (1) a bill to help provide long term loans and equity capital to small business; (2) a tax bill to help small business.

Simultaneously, same problem was being explored by the Small Business Administration and Securities and Exchange Commission which issued a joint statement that, "We believe it has been thoroughly demonstrated for a long time that action is necessary to make it more practical for businesses to obtain capital, and by the same token to point out to prospective investors the many opportunities that exist for investment in worth-while small businesses."

Senator Sparkman already had introduced a bill in the last Session of Congress, S. 2160, to provide for the establishment of privately owned and operated national investment companies, to be chartered by the Federal Reserve Board, to invest money in small enterprises. Another bill, S. 720, also introduced by Senator Sparkman, would, if enacted, encourage banks to make short and intermediate term loans to small firms under an insurance program operated by the Small Business Administration. In this connection it may be noted that numerous bills are now pending in both the Senate and the House making the Small Business Administration a permanent agency. In the last Session, however, its life was extended for one year only. \*\*\*

# National Retail Credit Week, 1958

**National Retail Credit Week** will begin on Sunday, April 20, 1958, and end on Saturday, April 26, 1958. During those seven days there will be a concentrated, continent-wide emphasis on consumer credit and the manifold advantages of using the mighty power of credit to bring more of the good things of life to more people sooner and cheaper.

National Retail Credit Week offers us an immensely valuable opportunity of telling the story of credit, of urging maximum use of credit facilities to enrich life and of emphasizing the great advantages of paying all obligations exactly as agreed in order to build up and maintain a good credit record. All retail credit executives and credit bureau managers should combine their efforts toward making National Retail Credit Week of lasting benefit to the community by encouraging credit buying and prompt payment.

National Retail Credit Week has proved to be powerfully beneficial in focusing attention of the consumer public on the significance of credit in their lives and on the value of a good credit record as a priceless personal asset. The 1958 observance promises to be more comprehensive and influential than ever before.

Appointment of local National Retail Credit Week

committees should now be made. This committee's responsibility will be to prepare a detailed program and present it to the local association membership for approval. We recommend close and full cooperation between the local credit bureau, retail credit executives and the Credit Women's Breakfast Club.

The purpose of National Retail Credit Week is to encourage the maximum amount of sound credit sales and also to educate credit consumers to the importance of meeting all obligations as agreed. The entire community benefits directly or indirectly from this highlighting of the important role of consumer credit in all our activities.

Portfolios of helpful material for the guidance of local National Retail Credit Week committees will be sent on request. Included in the portfolio will be N.R.C.A.'s "Pay Promptly" newspaper advertising, as well as many other useful items. The chairman of the local National Retail Credit Week committee should make his request now. Early planning is important.

National Retail Credit Week holds profound significance for the betterment and elevation of retail credit operations locally and nationally. Your active cooperation and participation are earnestly requested.

## "SOLICITATION"

(Beginning on Page 10.)

card was sent to the store with the code rating. Those with acceptable ratings were then contacted by letter informing them that we had taken the privilege of opening an account for them. A card was enclosed which they were to sign and return if they desired this account. No actual account was set up until this card was received. In this way only potential credit buyers found their names on our ledgers. The psychological advantages of this method were demonstrated by the activity of the new accounts. They were so flattered in being informed that their credit was excellent, that they went out of their way to buy and pay to prove it. Those called with poor ratings were placed in our derogatory file. Thus we not only retained their cash buying but the store was spared the embarrassment of declining the account.

Up to this point we have discussed the necessity of a planned program

of new account solicitation. All the best plans will be of little or no value unless along with these plans a training program for sales personnel is instituted. Too often the success of a well planned and intelligently presented campaign has been nullified by sales personnel whose only thought was the immediate sale and who either were ignorant of or didn't care about the credit program. The selling floors of any store represent the greatest source of new accounts we can find. Instead of the usual "Is this a cash or charge?" the question asked each customer on the completion of a sale should be "Do you have an account with our store?" If the answer is no, an intelligent effort should be made to secure the customer's name and address. This information should be turned in to the credit office and after a credit investigation, a follow-up letter should be sent. (We pay our employees for each account re-

ferred by them when the account is opened.) If the customer indicates that she has an account, the suggestion should be made that she charge it. It is unquestioned that the charge customer is a larger and more faithful buyer than the cash customer. Thus it becomes the responsibility of the sales person to transform the transient customer into a faithful credit buyer.

We could do a great many things, plan numerous campaigns, and formulate dozens of programs but in the final analysis how well and how successful are our efforts will be determined by the intelligence, perseverance and thoroughness in which they are carried out. If we keep in mind that acquiring a new charge customer is only the first step and that developing and keeping the account is of greater importance, then the progress of a store is assured and we become credit representatives in the true sense of the word.

## "MANY HATS"

(Beginning on Page 11.)

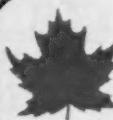
weigh heavily upon today's Credit Managers and I am sure there are many executives throughout the nation who will agree with these opinions, but if any benefit is to be derived from this article by those who have not reached this state of Cred-

it Sales Management or who may have a doubt as to the necessity and actuality of these duties, I would like to say that what I have written is neither theory nor opinion but actual experience, and every duty stated herein is currently in opera-

tion in our organization.

May I say to the thousands of young credit men and women throughout the nation who are planning to make Credit their career, *assume these responsibilities and you will prosper.*

\*\*\*



# Granting Credit in Canada



## Testimonial Dinner for J. E. Shapland

J. E. Shapland, Managing Director, Credit Bureau of Hamilton, Hamilton, Ontario, Canada, has been rendering outstanding service for the past 30 years, not only to his community but to the credit bureaus across Canada as well. In Canada he is considered an outstanding credit bureau operator. His contribution was recognized at a testimonial dinner in the Fountain Court of the King Edward Sheraton Hotel, Toronto, Ontario, Canada, October 28, 1957, during the annual convention of the Associated Credit Bureaus of Canada. While "Shap" as he is known to his host of friends, has contributed much during the past 30 years, the organization expects many more great contributions from him during his next 10 to 15 years of active management. His testimonial dinner was tendered as a "thank you" for what he has already done. His career as a credit bureau operator was outlined by four fellow bureau managers: Les Silver, Windsor, Ontario; Carl Flemington, Toronto, Ontario; Ivan Bowman, Kitchener, Ontario; and C. T. Beaman, Brantford, Ontario. During the dinner Mrs. Shapland was presented with a bouquet of roses followed by a presentation of a gold watch to "Shap." During the evening telegrams from the National Retail Credit Association, Associated Credit Bureaus of America, and from many credit bureaus across the United States and Canada were received and read.

## Ontario Petroleum Credit Group Elects

At a regular meeting of the Ontario Petroleum Credit Group, held in Toronto, Ontario, Canada, the following officers and directors were elected: Chairman, P. Harper, Canadian Oil Cos., Ltd.; Vice Chairman, J. E. Dempsey, Cities Service Oil Co., Ltd.; Secretary-Treasurer, J. Boyle, Supertest Petroleum Corp., Ltd.; Chairman Program Committee, W. G. Clarke, Cities Service Oils Co., Ltd.; Statistical, D. Furlong, Canadian Petrofina, Ltd.; Legal, W. Aitken, British American Oil Co., Ltd.; Bylaws, G. Fulton, Shell Oil Co. of Canada, Ltd.; and Historical, C. Bennett, Canadian Oil Cos., Ltd.

## Canadian Consumer Credit Conference

The Canadian Consumer Credit Conference will be held at the Chateau Frontenac Hotel, Quebec City, Quebec, February 16, 17, and 18, 1958. Registration starts Saturday afternoon, February 15, 1958. Cheques for advance registration should be made payable to Credit Granters Association of Quebec and mailed to Conference Committee, Quebec Credit Bureau, 144 Grand Allee, Quebec, P. Q.

**Reading this publication carefully  
and regularly will contribute to  
your success as a Credit Executive.**

## Credit Granters Annual Meeting

The annual meeting of the Credit Granters Association of Canada will be held in conjunction with the Canadian Consumer Credit Conference at the Chateau Frontenac Hotel, Quebec City, February 16, 17, and 18, 1958. The Director's meeting is scheduled for Sunday, February 16, 1958, at 10:00 a.m. The President of each Credit Granter Unit throughout Canada is an Honourary Director of the Credit Granters Association of Canada.

## Congratulations

H. L. Hulme, Past President, Credit Granters Association of Canada has been awarded the F.C.I. degree. This honour bestowed on him of Fellow of the Credit Institute is indeed in order to recognize the work he has done during the past few years in coordinating the activities of the Credit Granters Association of Canada and the Canadian Credit Institute.

## Lecture Material Available

The Credit Granters Association of Canada now has available for the use of local units and members, a lecture for use in acquainting the graduating classes of High Schools, Colleges and Technical Schools with the need for building a good credit record. Following the theme of the educational program "Buy Wisely and Pay Promptly" the lecture entitled "Credit and Character—Keys to your Future" will be of great assistance to the Credit Granter local units in preparing the new employees for the advantages and responsibilities of using credit it plans to their best advantage.

## New Units

Past President William J. Tate, Charles Ogilvy Ltd., Ottawa, teamed up with A. D. Sinclair, Credit Bureau of Ottawa-Hull to help in organizing the credit granters of Cornwall into a fully qualified unit. Mr. Tate is also a past president of the National Retail Credit Association.

With assists from Louis Morin, Pacquet & Company Ltd., and D. Dore, manager of the Credit Bureau of Quebec, accompanied by Arthur Bullied, Secretary-Treasurer of Credit Granters Association of Canada, a new Unit was formed in Chicoutimi late in August.

Norman F. Belleperche, First Vice President, Credit Granters Association of Canada supported by Hugh Beattie and Arthur Bullied journeyed to Sarnia to assist in the formation of the newest Credit Granter Unit on November 21, 1957.

## Happy New Year

The Credit Granters Association of Canada takes this opportunity to thank their members for their cooperation and loyalty which has assisted greatly in their progress. We wish for each member and all the members of the National Retail Credit Association a full measure of happiness and good health throughout the coming year.

# Collections Firm in Most Districts

[ Many credit executives now exerting additional effort in collections.... Survey indicates no immediate cause for alarm ]

**T**O DETERMINE the trend of collections in department and specialty stores, N.R.C.A. has recently completed a survey participated in by 109 firms in all of the association's 12 districts.

We were primarily interested in two things. One, had the store experienced any significant change in collection ratios since September 1, 1957, in their monthly charge and instalment accounts? And two, if there were any slow spots, were these directly related to local employment conditions or due to other reasons?

Many credit executives stated that they must now exert additional effort in their collection activities. A few attributed their increased collection percentage in charge accounts to the fact that they are now adding a service fee to this type of past-due account. Some reported decreases because of a lag in business. Four of the twelve districts showed that local industrial conditions, such as plant shut downs and lay-offs were a major factor in the collection figure.

Several reported that customers were overbuying and a few blamed internal store problems and lack of proper follow-up for collection declines.

Question asked: "Have you experienced any significant change in collection ratios since September first? If so, please give percentage of change."

#### Charge Accounts

- 4—Increases +1 to +6%
- 4—Decreases -1 to -6.4%
- 2—No change
- 1—No comment

- 2—Increases +.98 to +5.1%
- 4—Decreases -1 to -7.4%
- 1—No change

- 3—Increases +3 to +9.2%
- 1—Decrease -6.4%
- 1—No change

- 6—Increases +1.9 to 6.82%
- 2—No change

- 8—Increases +0.2 to +7%
- 2—Small Increases (no amount)
- 1—Decrease -1.2%
- 1—Small Decrease (no amount)
- 3—No change
- 1—No comment

#### Instalment Accounts

#### District 1—11 Stores Reporting

- 3—Increases +1 to +3.5%
- 2—Decreases -1 to -8%
- 4—No change
- 2—No comment

#### District 2—7 Stores Reporting

- 2—Increases +.17 to +1.9%
- 2—Decreases -1.2 to -3.8%
- 1—No change
- 2—No comment

#### District 3—5 Stores Reporting

- 3—Increases +2.7 to +7.9%
- 1—No change
- 1—No comment

#### District 4—8 Stores Reporting

- 2—Increases +.01 to +1.86%
- 3—Decreases -.5 to -7.4%
- 2—No change
- 1—No comment

#### District 5—16 Stores Reporting

- 6—Increases +0.8 to +4.16%
- 2—Decreases -.08 to -1%
- 1—Small Decrease (no amount)
- 5—No change
- 2—No comment

The analyses of the reports are shown below and we feel are of considerable interest as they reflect a general healthy national picture.

#### SUMMARY—ALL DISTRICTS CHARGE ACCOUNTS

Increase in collection percentage	54 stores	49.5%
Decrease in collection percentage	32 stores	29.4%
No change in collection percentage	19 stores	17.4%
No comment	4 stores	3.7%
	109 stores	100.0%

#### INSTALMENT ACCOUNTS

Increase in collection percentage	39 stores	35.8%
Decrease in collection percentage	26 stores	23.8%
No change in collection percentage	28 stores	25.7%
No comment	12 stores	11.0%
Do not separate instalment and do not carry instalment accounts	4 stores	3.7%
	109 stores	100.0%

Question asked: "If there are any slow spots, are these directly related to local employment conditions or due to any other reasons? Please state."

- 7—Local Industrial conditions
- 1—National trend—not local
- 1—Local building and land tax
- 1—September always low—vacations
- 1—No comment

- 2—Local Industrial conditions
- 1—Local Industrial conditions are big ticket items
- 1—Summer vacations
- 1—Large decrease due to combining accounts
- 1—No slow spots
- 1—No comment

- 2—None
- 3—No comment

- 3—Local Industrial conditions
- 1—Instalment accounts ten to overbuy
- 1—No change
- 3—No comment

- 3—Local Industrial conditions
- 1—Sales down over 1956
- 1—Running 1% behind last year
- 1—Increase may reflect better posting and collection procedure
- 1—Local Industrial conditions and bankruptcies
- 8—No comment
- 1—None

Question asked: "Have you experienced any significant change in collection ratios since September first? If so, please give percentage of change."

*Charge Accounts*

5—Increases +.21 to +7.9%  
3—Decreases -.01 to -4%

*Instalment Accounts*

**District 6—8 Stores Reporting**

3—Increases +.06 to +4.1%  
2—Decreases -.2 to -1.7%  
1—Do not separate accounts  
2—No comment

Question asked: "If there are any slow spots, are these directly related to local employment conditions or due to any other reasons? Please state."

1—Local Industrial conditions and illness  
1—Closer follow-up and adding service charge  
1—Customer difficulty with budgets  
2—Not known  
3—No comment

**District 7—12 Stores Reporting**

5—Increases +.09 to +1.4%  
5—Decreases -.8 to -5%  
2—No change

5—Increases +.74 to +2.09%  
4—Decreases -.5 to -1.2%  
3—No change

1—Local Industrial cutbacks  
1—Seems to be seasonal  
1—Customers overbuying  
1—Improvement due to adding service charge  
1—Retail sales off  
6—None  
1—No comment

**District 8—9 Stores Reporting**

4—Increases +1.1 to +2.1%  
4—Decreases -1.0 to -2.8%  
1—No comment

4—Increases +0.1 to +1.2%  
1—Decrease -.05%  
2—No change  
1—No instalment accounts  
1—No comment

1—Local Industrial conditions  
1—Trend is up  
3—None  
2—Working accounts harder  
1—Internal organizational problems  
1—Expect collections back to normal soon

**District 9—5 Stores Reporting**

1—Increase to +6.3%  
1—Decrease to -5%  
2—No change  
1—No comment

2—Increases +4.0 to +6.13%  
1—Decrease -.02%  
1—No change  
1—No comment

1—Local Industrial conditions  
1—Local racing tracks and vacations  
1—Nothing noticeable  
1—None  
1—No comment

**District 10—7 Stores Reporting**

7—Increases +.12 to +5.1%

3—Increases +.10 to +5.0%  
2—Decreases -.1 to -2.18%  
2—No change

4—Local Industrial conditions  
1—Losses will be higher due to unemployment and customers moving from area  
1—Slow spot in September due to billing lag  
1—No comment

**District 11—6 Stores Reporting**

3—Increases +3.3 to +5.02%  
1—Decrease -.84%  
2—No change

2—Increases +0.2 to +.5%  
2—Decreases -.37 to -.65%  
2—No change

1—No change  
1—No answer  
4—No comment

**District 12—15 Stores Reporting**

4—Increases +1.16 to +11.5%  
7—Decreases -.7 to -10.00%  
4—No change

3—Increases +.2 to +5.8%  
4—Decreases -.4 to -4.0%  
5—No change  
1—Do not carry  
1—Do not separate  
1—No comment

6—Local Industrial conditions  
1—Local Industrial conditions and illness  
1—Rumors of defense cutbacks  
2—Overextension of credit  
1—Illness—Wide spread flu  
1—January and February low—did not follow collections  
2—No comment  
1—None

**THE 44TH ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE**

HOTEL STATLER, LOS ANGELES, CALIFORNIA, JULY 13-16, 1958

National Retail Credit Association

Credit Women's Breakfast Clubs of North America • Associated Credit Bureaus of America

# editorial comment—



S. H. Womack

## "Public Relations in Business"

### A New Educational Course

**I**N MAY 1957 our Association added a new course *Public Relations in Business* to its educational program—conducted by S. H. Womack, training consultant in public relations. From all reports its launching has been highly successful wherever it has been held.

Melvin Schumpert, Schumpert's Inc., Portales, New Mexico, writes: "In the class just finished, I have never seen more attention given to any course. I do not hesitate to recommend this course to any group of any size."

W. R. Middleton, Manager, Credit Bureau of Carlsbad, Carlsbad, New Mexico, said: "No sponsoring group need worry about the people in their town being satisfied with Mr. Womack. We had a total enrollment of 120 and the average attendance over the four-night period was better than 96 per cent. We believe this speaks for itself."

From Fort Collins, Colorado, two months after the course had been given, Floyd E. Wright, Manager, Credit Bureau of Fort Collins, wrote: "Ever since September 26, 1957, we have been conscious of the good that came out of the Public Relations School expressed in many different ways and I am sure it will continue. Of particular interest to us is the forward step the Poudre Valley Bank has taken since they attended the school. They have organized a monthly meeting of their employees on public relations which I think is excellent."

John Stovall, President, Dallas Retail Credit

Managers Association, Dallas, Texas, states: "This course is excellently organized, fast-moving, comprehensive and absorbing. As a matter of fact, I was somewhat irritated that all of the contents were directed so pointedly toward me—at least it seemed so. This organization is proud that it had an opportunity to bring Mr. Womack to Dallas and we intend to repeat the course at the first available opportunity. We wish to commend the N.R.C.A. for sponsoring such a fine school handled by such a capable instructor."

J. E. Fenn, General Manager, Credit Bureau of Birmingham, Birmingham, Alabama, said: "The course was a real benefit to our members in general and particularly to the students who participated in the class."

Ralph C. Locke, Manager, Credit Bureau of Manchester, Manchester, New Hampshire, wrote: "I most certainly want you to know we would highly recommend Mr. Womack's course to any city. We believe that an credit association which does not have him is missing a rare opportunity. A course of this kind is almost impossible to find and I congratulate the N.R.C.A. in making such a course available to us."

The above quotes speak for themselves and we urge every community to avail themselves of the *Public Relations in Business* course at the earliest opportunity. For details, write the National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri.

General Manager-Treasurer  
NATIONAL RETAIL CREDIT ASSOCIATION



# Are You headed for trouble Mr. Manager of Credit Sales?

—or do you know just which of those slow accounts are responsible for that lag in your collection percentage?

Experience has proved that consistent ageing of accounts is the only sure way to maintain efficient control of your receivables. Also recommended for the following uses— • Collection follow up. • Account restrictions. • Trial balances in small stores.

## Prices

**100—\$1.50; 500—\$5.00; 1,000—\$9.50. Postage is extra.  
Size 9½" by 12"**

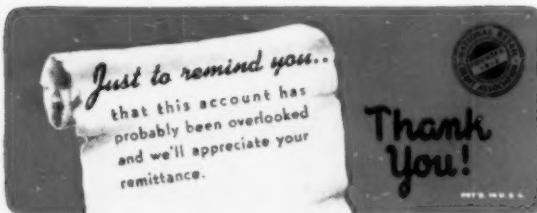
#### **Another service of**

# NATIONAL RETAIL CREDIT ASSOCIATION

## 375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

# ANNOUNCING MORE UNUSUAL CREDIT STICKERS



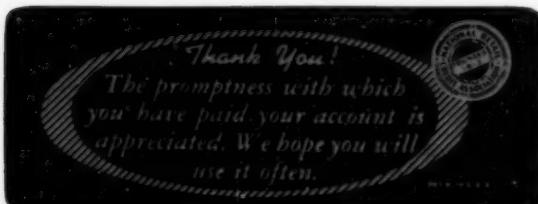
C-18

Printed in blue ink on high gloss finished yellow gummed paper.



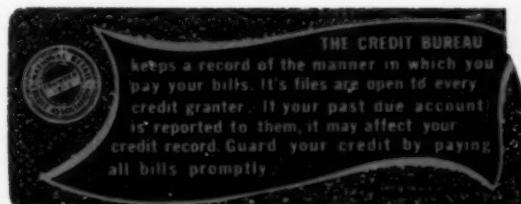
R-7

Printed in royal blue ink on high gloss finished v gummed paper.



R-1

Printed in gray and blue ink on high gloss finished white gummed paper.



C-6

Printed in red and blue ink on high gloss finished white gummed paper.



P-3

Printed in blue ink on high gloss finished white gummed paper.



C-1

Printed in blue and yellow ink on high gloss finished white gummed paper.

Shown above are six new stickers that possess eye-appeal as well as carrying strong message impact. Such stickers can be used by large and small retailers and also by professional people. The insignia of the National Retail Credit Association adds dignity and prestige. Easily applied to statements, they can be used by any person in the office. Inexpensive and effective.

Prices are:

200	\$1.25
500	2.25
1,000	4.00
1,000 (assorted)	4.50

Minimum order 200 of each sticker.

Another service of

**NATIONAL RETAIL CREDIT ASSOCIATION**

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

MR. EUGENE B. POTTER  
UNIVERSITY MICROFILMS  
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ANN ARBOR, MICH.